Supreme Court, U.S.
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No. 02-

IN THE

Supreme Court of the United States

TALBERT FUEL SYSTEMS PATENTS CO.,

Petitioner,

v.

UNOCAL CORPORATION and TOSCO CORPORATION,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Should this Court vacate the judgment below and remand for further consideration in light of the intervening decision in *Festo Corp. v. Shoketsu Kinzoko Kogyo Kabushiki Co.*, 122 S. Ct. 1831 (2002), which held that prosecution history estoppel is not an absolute bar to the application of the doctrine of equivalents, and that when circumstances give rise to the presumption of prosecution history estoppel, a patentee may rebut that presumption?

RULE 29.6 STATEMENT

Petitioner Talbert Fuel Systems Patents Co. is an Illinois partnership wholly-owned by Talbert Fuel Systems, Inc. and Lamb Patents Co., L.L.C.

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Talbert Fuel Systems Patent Co. respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

OPINIONS BELOW

The January 8, 2002 Federal Circuit judgment and opinion (App. A, *infra*, 1a-15a) affirming the district court's judgment of noninfringement in favor of respondents is reported at *Talbert Fuel Systems Patents Co. v. Unocal Corp.*, 275 F.3d 1371 (Fed. Cir. 2002). The Federal Circuit's March 15, 2002 order (App. G, *infra*, 43a-44a) denying rehearing and rehearing en banc is not reported. The district court's orders of October 27, 1999 (App. B, *infra*, 16a-22a), May 3, 1999 (App. C, *infra*, 23a-24a), April 28-29, 1999 (App. D, *infra*, 25a-27a), April 6, 1999 (App. E, *infra*, 28a-33a), and December 11, 1998 (App. F, *infra*, 34a-42a) are not reported.

STATEMENT OF JURISDICTION

Jurisdiction in the district court was based upon 28 U.S.C. § 1338(a). Jurisdiction in the Federal Circuit was based upon 28 U.S.C. § 1295. That Court entered its opinion and order on January 8, 2002, and denied rehearing and rehearing *en banc* on March 15, 2002. The Chief Justice granted an extension of time for filing this petition to and including Saturday, July 13, 2002. This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Article I, section 8 of the United States Constitution provides:

> Congress shall have the power . . . to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their Respective Writings and Discoveries.

35 U.S.C. § 271(a) provides:

> Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

STATEMENT OF THE CASE

This petition follows on the heels of this Court's recent decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd. a/k/a SMC Corp. and SMC Pneumatics, Inc.*, 122 S. Ct. 1831 (2002), *vacating* 187 F.3d 1381 (Fed. Cir. 1999). Talbert Fuel Systems Co. ("Talbert"), the holder of U.S. Patent No. 5,015,356 ("the '356 patent" or "the Talbert patent"), brought this action in the United States District Court for the Central District of California, alleging infringement under the doctrine of equivalents against Unocal Corp., Union Oil Co., and Tosco Corp., for gasoline manufactured in accordance with Unocal's U.S. Patent

No. 5,288,393 ("the '393 patent" or "the Unocal Patent"). The district court granted summary judgment to Unocal on the question of equivalency, finding Talbert's claim barred by prosecution history estoppel. On appeal, the Federal Circuit affirmed, citing its now invalid *Festo* decision for the proposition that prosecution history estoppel bars the application of the doctrine of equivalents.

The Prosecution History of the Talbert Patent

The Talbert patent is directed to reformulated gasolines that reduce emissions while preserving key gasoline performance parameters. Briefly stated, conventional gasolines are complex mixtures of hundreds of chemicals, but mostly compounds of hydrogen and carbon ("hydrocarbons"). Gasolines are produced by refining crude petroleum, a process that includes distilling, or fractionating, hydrocarbon mixtures that have been obtained by treating petroleum in various ways. Gasoline hydrocarbons are conventionally described in three general groups or "cuts" based on the number of carbon atoms that are predominant in the hydrocarbon mixture: C_4 and C_5 ("low-end" or "front-end") hydrocarbons, C_6 to C_{10} ("middle-cut"), and C_{11} and C_{12} ("high-end").

The low-end and high-end hydrocarbons can be sources of pollution. Low-end hydrocarbons vaporize readily and have lower boiling points, entering the atmosphere uncombusted — at the gas pump, for example. High-end hydrocarbons may not completely combust in the engine, thus polluting the atmosphere through exhaust. Reduction of the low- and high-end components is environmentally desirable, but low-end hydrocarbons, also known as "primers," aid effective ignition while high-end hydrocarbons provide fuel energy.

Talbert's '356 reformulated gasoline includes reduced front-end C_4 and C_5 primer components and eliminates most of the high-end C_{11} and C_{12} components, and therefore consists essentially of C_6 to C_{10} middle-cut hydrocarbons, but still operates in standard engines. This novel and pioneering reformulated gasoline burns more completely and produces less air pollution than former gasoline mixtures.

The specification of the '356 patent contains disclosures that are specific to both "gasifier" and "standard carbureted" fuels. To emphasize that both variants of the gasoline consist primarily of C_6 to C_{10} components, the patent specification and claims describe the predominant hydrocarbons of the gasoline as having a boiling point range of 121°F-345°F — that is, one that encompasses the boiling point of the lowest boiling C_6 component and the highest boiling C_{10} component. Recognizing that some C_{11+} components would remain in the gasoline because of inevitable imperfection in the processing of the fuel at the refinery, the '356 specification also explicitly states that although C_{11+} components should be "substantially removed" from the gasifier and standard gasolines, some would remain due to those processing imperfections. Accordingly, the Talbert patent defines the "standard carbureted" fuels as having a composition consisting "essentially" of C_6 to C_{10} hydrocarbons with a primer. The specification's only reference to the 345°F temperature as a "final boiling point" is in the context of the gasifier fuel. The specification notes that the 121°F-345°F boiling range is of significance primarily to the gasifier form of the gasoline, and that the actual final boiling points of even the gasifier gasoline could exceed the C_6 to C_{10} fractionation range.

The specific temperature language in Talbert's '356 patent claims emerged in response to a series of inquiries by the Examiner during prosecution. In summary, Talbert amended the claim to include the "consisting essentially of" language, amplified by the boiling point guideline, to distinguish U.S. Patent No. 3,002,917 ("the '917 patent" or "the Hamilton patent"), which, unlike Talbert's patent, had no disclosures requiring the removal of lighter and heavier hydrocarbons. Later, in order to distinguish U.S. Patent No. 2,409,157 ("the '157 patent" or "the Schulze patent"), another gasoline employing C_5 to C_{10} hydrocarbons, Talbert amended the claim to note that so-called "paraffinic" C_{10} hydrocarbons were required under the '356 patent, with a corresponding final boiling point of 345°F, while the Schulze patent called for totally dissimilar "aromatic" C_{10} hydrocarbons, which, among other functional differences, have a lower boiling point.

Talbert had noted its prior reference to 345°F as a "final boiling point" only to alert the Examiner to the fact that the application had assumed the presence of paraffinic, rather than aromatic, C_{10} hydrocarbons. Talbert intended to demonstrate that amending the claims to include the term "paraffinic" would not offer any new matter that might warrant the amendment's rejection under 35 U.S.C. § 112.

Although described in different words, the reformulated gasolines claimed in the '356 and '393 patents are identical. The '356 patent describes the gasoline's chemical composition, while Unocal's '393 patent describes its formulation in terms of distillation characteristics. Nevertheless, anyone ordinarily skilled in the art would know that these descriptions are equivalent, because a hydrocarbon mixture having the composition described in Talbert's '356 patent will have the

distillation characteristics described in Unocal's '393 patent. Like Talbert's '356 gasoline, Unocal's '393 gasoline requires an intermediate range of hydrocarbons and consists essentially of C_6 to C_{10}, together with reduced amounts of low-end primers, and with the high-end C_{11} and C_{12} hydrocarbons substantially removed. The gasoline described in the '356 patent contains C_{11+} hydrocarbons in unspecified small amounts depending on the distillation tower's efficiency, with a fractionation imperfection variable as high as four percent by volume in refinery practice. Unocal's and Tosco's gasolines contain approximately one percent high-end hydrocarbons by volume. Because both the patented '356 gasoline and the accused Unocal and Tosco gasolines include small amounts of C_{11+} hydrocarbons, they both necessarily have end boiling points higher than 345°F.

The Proceedings Below

Talbert sued Unocal, Union Oil, and Tosco, claiming that the '393 gasoline is so similar to the '356 gasoline that it infringes under the doctrine of equivalents. The District Court granted Unocal's summary judgment motion on the equivalency issue. Ignoring the broad and inclusive language of the claims, the extensive detail provided in the specification, and the evidence within the prosecution history that Talbert had adopted the 121°F-345°F boiling point range only to demonstrate the predominance of paraffinic C_6 to C_{10} hydrocarbons in the complex gasoline mixtures, the District Court concluded that by referring to the 121°F-345°F range in the claims, Talbert had disclaimed or surrendered inclusion of any fuels containing any hydrocarbons boiling above 345°F, including any C_{11+} hydrocarbons. The court consequently ruled that Talbert was estopped to reach by way of equivalency the accused gasolines because of a higher

boiling point than 345°F due to the inevitable presence of a small amount of C_{11+} hydrocarbons.

On appeal, the Federal Circuit affirmed. Citing to its *Festo* decision, the court held that because Talbert "relied on [the] temperature specificity for patentability purposes," App. A at 11a, prosecution history estoppel barred Talbert from asserting infringement by equivalency. The court did not examine the record to determine if the presumption of estoppel was rebuttable.

Talbert unsuccessfully petitioned the Federal Circuit for rehearing and rehearing *en banc*, and, on June 11, 2002, the Chief Justice granted an extension of time to file this petition to and including Saturday, July 13, 2002.

REASON FOR GRANTING THE WRIT

THE DECISION BELOW WAS RENDERED PRIOR TO, AND CONFLICTS WITH, THIS COURT'S DECISION IN *FESTO CORP.*

This Court grants certiorari, vacates a judgment, and remands ("GVR") when it concludes that intervening precedent is "sufficiently analogous and, perhaps, decisive to compel re-examination of the case." *Henry v. City of Rock Hill*, 376 U.S. 776, 777 (1964). "Where intervening developments . . . reveal a reasonable probability that the decision below rests upon a premise that the lower court would reject if given the opportunity for further consideration, and where it appears that such a redetermination may determine the ultimate outcome of the litigation, a GVR order is . . . potentially appropriate."

Lawrence v. Chater, 516 U.S. 163, 167 (1996) (per curiam). As this Court has explained, "a GVR order both promotes fairness and respects the dignity of the Court of Appeals by enabling it to consider potentially relevant decisions and arguments that were not previously before it." *Stutson v. United States*, 516 U.S. 193, 197 (1996). This approach "is similar in its flexibility to this Court's longstanding approach to applications for stays and other summary remedies granted without determining the merits of the case under the All Writs Act," but because GVR orders are premised on matters that the Court has reason to believe the court below did not fully consider, and because they require only further consideration, the standard applied in deciding whether to GVR "is somewhat more liberal than the All Writs Act standard, under which relief is granted only upon a showing that a grant of certiorari and eventual reversal are probable." *Lawrence*, 516 U.S. at 168. A GVR order is warranted in this case because the Federal Circuit applied the standard disapproved by *Festo* when it reviewed the District Court's judgment of noninfringement under the doctrine of equivalents.

The doctrine of equivalents precludes an infringer from pirating inventions by making insignificant changes to the original to bring the article outside the literal scope of the patent claim. The equivalents doctrine provides that "a product . . . that does not literally infringe . . . the express terms of a patent claim may nonetheless be found to infringe if there is 'equivalence' between the elements of the accused product . . . and the claimed elements of the patented invention." *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 21 (1997). The courts below applied the prosecution history estoppel doctrine, which provides that an inventor may not recapture, through the doctrine of

equivalents, claims that were surrendered during the prosecution process to obtain the patent. *American Permahedge, Inc. v. Barcana, Inc.*, 105 F.3d 1441 (Fed. Cir. 1997).

In *Festo*, the Federal Circuit had held that prosecution history estoppel bars any claim of equivalence for the element that was amended, and that when circumstances gave rise to estoppel, no further inquiry was required, regardless of the reason for the amendment or the reasonableness of the claim. This Court reversed, holding that prosecution history estoppel does not bar the inventor from asserting infringement against every equivalent to the narrowed element. Although estoppel "can bar challenges to a wide range of equivalents, its reach requires an examination of the subject matter surrendered by the narrowing amendment." *Festo*, 122 S. Ct. at 1840. In *Warner-Jenkinson*, this Court "struck the appropriate balance by placing the burden on the patentee to show that an amendment was not for purposes of patentability." *Id.* at 1841. Likewise, the Festo decision establishes that the patentee bears the burden of showing that the amendment in question does not surrender the particular equivalent in question, but makes it clear that there are instances in which that is the case. *Id.* at 1842. "There are some cases . . . where the amendment cannot reasonably be viewed as surrendering a particular equivalent." *Id.* For example, "the rationale underlying the amendment may bear no more than a tangential relation to the equivalent in question; or there may be some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question." *Id.* Thus, the patentee must be given an opportunity to show that a particular amendment did not surrender the equivalent.

The Federal Circuit presumed that Talbert made the amendment for patentability purposes, and its application of the absolute bar rule worked to deprive Talbert of the opportunity to rebut the presumption that estoppel applied. The court failed to assess whether Talbert could rebut the presumption of estoppel, as expressly required by this Court's *Festo* decision. For instance, both the district court and the circuit court failed to acknowledge that if limited to a single final boiling point of 345°F, the preferred embodiment of the Talbert '356 patent is excluded, the gasoline is impossible to produce, and is thus rendered inoperable. This is precisely the type of factor that militates against the presumption of estoppel.

Finally, this Court has already granted certiorari, vacated the judgment, and remanded for further consideration in light of *Festo* in several other matters. *See, e.g.*, *Creo Prods. Inc. v. Dainippon Screen Mfg. Co.*, 122 S. Ct. 2323 (2002); *AccuScan, Inc. v. Xerox Corp.*, 122 S. Ct. 2323 (2002); *Insituform Techs., Inc. v. CAT Contr., Inc.*, 122 S. Ct. 2322 (2002); *Pioneer Magnetics, Inc. v. Micro Linear Corp.*, 122 S. Ct. 2322 (2002); *Mycogen Plant Science, Inc. v. Monsanto Co.*, 122 S. Ct. 2324 (2002); *Lockheed Martin Corp. v. Space Sys./Loral Inc.*, 122 S. Ct. 2349 (2002); *PTI Techs., Inc. v. Pall Corp. Techs.*, 122 S. Ct. 2324 (2002); *Semitool, Inc. v. Novellus Sys., Inc.*, 122 S. Ct. 2323 (2002); *Senior Techs., Inc. v. R. F. Techs., Inc.*, 122 S. Ct. 2323 (2002). Each of those cases involved the application of the Federal Circuit's now invalid absolute bar rule, and in each of them this Court remanded for further consideration in light of *Festo*. It is respectfully submitted that the Court should do the same in this case.

CONCLUSION

For the foregoing reasons, the petition should be granted, the judgment below vacated, and the case remanded for further consideration in light of *Festo Corp. v. Shoketsu Kinzoko Kogyo Kabushiki Co.*

Respectfully submitted,

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APPENDIX A — JUDGMENT AND OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DATED JANUARY 8, 2002

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

99-1421

TALBERT FUEL SYSTEMS PATENTS CO.,

Plaintiff-Appellant,

v.

UNOCAL CORPORATION,
UNION OIL COMPANY OF CALIFORNIA,

Defendants-Appellees,

and

TOSCO CORPORATION,

Defendant-Appellee.

JUDGMENT

ON APPEAL from the United States District Court for the Central District of California

In CASE NO(S). 98-CV-412

This CAUSE having been heard and considered, it is

ORDERED and ADJUDGED: AFFIRMED

Appendix A

ENTERED BY ORDER OF THE COURT

s/ Jan Horbaly
Jan Horbaly, Clerk

DATED: JAN 8 2002

ISSUED AS A MANDATE: March 22, 2002

Appendix A

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

99-1421

TALBERT FUEL SYSTEMS PATENTS CO.,

Plaintiff-Appellant,

v.

UNOCAL CORPORATION,
UNION OIL COMPANY OF CALIFORNIA,

Defendants-Appellees,

and

TOSCO CORPORATION,

Defendant-Appellee.

DECIDED: January 8, 2002

Before NEWMAN, MICHEL, and RADER, *Circuit Judges*.

NEWMAN, *Circuit Judge*.

Talbert Fuel Systems Patents Co. is the owner of United States Patent No. 5,015,356 (the '356 patent) entitled "Hydrocarbon Fuel Systems," inventor William Talbert. Defendant Union Oil Company of California (herein "Unocal" collectively with Unocal Corporation) owns United States Patent No. 5,288,393 (the '393 patent) entitled "Gasoline Fuel." Defendant Tosco is licensed under the '393 patent. Talbert appeals the district court's grant of summary judgment of noninfringement. Talbert also appeals the dismissal of its requested interference proceeding with the

'393 patent under 35 U.S.C. §291. We affirm the district court's dispositions.[1]

DISCUSSION

Talbert's '356 patent is directed to certain reformulated gasolines that reduce emissions while preserving key gasoline performance parameters. Gasolines are produced by refining crude petroleum, a process that includes distilling (fractionating) hydrocarbon mixtures that have been obtained by treating petroleum in various ways not here relevant. The characteristics of the resultant gasoline fractions are affected by their hydrocarbon composition. Conventional gasolines are complex mixtures of hydrocarbons having mostly four to twelve carbon atoms. Gasoline hydrocarbons are conventionally described in three groups or "cuts" based on the number of carbon atoms in the hydrocarbon molecules: C_4 and C_5 (low-end or front-end) hydrocarbons, C_6 to C_{10} (middle-cut), and C_{11} and C_{12} (high-end). The "cut" relates to the separation of hydrocarbon streams in the fractionation process.

The low-end and high-end hydrocarbons are of concern as sources of pollution, for low-end hydrocarbons vaporize readily and can enter the atmosphere uncombusted, for example at the gas pump, and high-end hydrocarbons may be incompletely combusted in the engine, thus polluting the

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1. *Talbert Fuel Systems Patents Co. v. Unocal Corporation*, No. 98-CV-412 (C.D. Cal. Dec. 15, 1998) (claim construction and dismissal of §291 claim); Apr. 12, 1999 (summary judgment of noninfringement for Unocal); May 3, 1999 (summary judgment of noninfringement for Tosco).

atmosphere through the exhaust. It was known that reduction of these components in gasoline is environmentally desirable. However, low-end hydrocarbons aid effective ignition, and high-end hydrocarbons provide fuel energy. Talbert's '356 patent is directed to reformulated gasolines that are substantially free of both low-end and high-end hydrocarbons, but with a calculated amount of low-end hydrocarbons added or retained as a "priming agent" to facilitate ignition.

Claim Construction

Claim construction is a matter of law, *see Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 970-71, 34 USPQ2d 1321, 1322 (Fed. Cir. 1995) (*en banc*), *aff'd*, 517 U.S. 370 (1996), and receives plenary review on appeal. *Cybor Corp. v. FAS Technologies, Inc.*, 138 F.3d 1448, 1456, 46 USPQ2d 1169, 1172 (Fed. Cir. 1998) (*en banc*).

Claim 1 of the '356 patent is representative, with emphases added to indicate the terms whose construction is material to the issues of infringement:

> 1. A low Reid Vapor Pressure[2] liquid gasoline for use in a standard carbureted internal combustion engine; **said gasoline** comprising a priming agent and a hydrocarbon mixture having an intermediate carbon range relative to C_4-C_{12} fuel; **said intermediate carbon range consisting essentially of C_6-C_{10}** hydrocarbons with C_9 and C_{10}

2. Reid Vapor Pressure is a gasoline's vapor pressure in a sealed container at 100°F.

> paraffinic hydrocarbons being present in the mixture; **said gasoline having a boiling point range of 121-345°F** at 1 atmosphere pressure; and said priming agent consisting of a hydrocarbon selected from the group consisting of C_4 and C_5 hydrocarbons and mixtures thereof and said priming agent being present in a minimum effective amount for raising the front end volatility of the gasoline to a minimum level for cold engine starting with said minimum effective amount being less than that required for C_4-C_{12} gasoline.

The district court focused on the boiling point range of 121°F-345°F. The '356 patent explains that 121°F is the boiling point of the lowest-boiling C_6 component, 2,2-dimethylbutane (C_6H_{14}), and 345°F is the boiling point of decane, $C_{10}H_{22}$, the highest-boiling C_{10} component. The district court construed claim 1 as limited to gasolines having a final boiling point of 345°F, and excluding gasolines having a higher final boiling point.

Talbert argues that the district court erred in defining 345°F as a final boiling point, pointing out that the word "final" does not appear in claim 1. Talbert argues that some higher boiling hydrocarbons can be present, such as C_{11} and C_{12} hydrocarbons, due to the generally recognized imprecision of the refining process, which does not produce gasolines of specific hydrocarbon composition with precise end points. Talbert explains that refinery distillation produces cuts of distillate which may include hydrocarbon components that when pure boil above or below the range of the refinery cut. The '393 patent explains that a refinery stream cut at

345°F will contain "a small amount" of hydrocarbons boiling above 345°F and having 11-12 carbons.

Talbert states that the claim term "consisting essentially of C_6-C_{10}" recognizes that gasoline in the 121°-345°F boiling range contains mostly C_6 to C_{10} hydrocarbons, but that some hydrocarbons outside that range can be present. Talbert argues that since some hydrocarbons higher than C_{10} can be present, they necessarily would raise the final boiling point of the gasoline above 345°F. Talbert argues that claim 1 is not limited to gasolines whose final boiling point is 345°F because even traces of hydrocarbons above C_{10} will raise the final boiling point above 345°F, without significantly altering the fuel's performance for standard carbureted engines. Thus Talbert urges that when reading the claim as a whole including its preamble, taking cognizance of the imprecision of refinery methods, a claim construction is required that does not limit the boiling point of the gasoline to 345°F.

The basic tools of claim construction are the words of the claim, understood in light of the specification and the prosecution history, in accordance with the usage and knowledge in the field of the invention. A term of technical art, unless defined otherwise, by the patentee, has the meaning by which it would be understood by persons experienced in the field of the invention. *See, e.g., Multiform Dessicants v. Medzam*, 133 F.2d 1473, 1477, 45 USPQ2d 1429, 1432 (Fed. Cir. 1998).

The district court, rejecting Talbert's proposed construction, ruled that claim 1 is limited to gasolines whose final boiling point is 345°F. In doing so, the district court

focused on the "explicit limitation" in the clause "said gasoline having a boiling point range of 121°-345°F." We agree with the district court that the plain meaning of a boiling point range that is used to define a composition and distinguish it from other compositions is that the range limits the composition to that stated in the claim, and that compositions of a different boiling range are not covered by the claim. While the signal "consisting essentially of" allows for the presence of small amounts of components outside of the designated paraffinic C_6-C_{10} hydrocarbons, the boiling range of 121°-345°F is designated as describing the entire claimed gasoline. The phrase "consisting essentially of" thus cannot negate the limiting effect of the claimed temperature range of 121°-345°F, a limitation added in acquiescence to the examiner's requirement for specificity. Thus, Talbert's argument that the recited range does not exclude gasolines with a higher upper temperature is untenable.

During prosecution Talbert stressed that 345°F was the "final boiling point" for standard carbureted gasoline as well as for the gasifier gasoline of Talbert's original application. Talbert told the examiner: "Furthermore, it will be noted that applicant's fuel which contains C_9 and C_{10} hydrocarbons has a final boiling point of 345° which corresponds to the boiling point of C_{10} paraffinic hydrocarbon." Although Talbert argues that this statement was not intended to limit the boiling point of the claimed gasoline, but simply to highlight that the newly added description "paraffinic hydrocarbons" was not new matter under 35 U.S.C. §112, Talbert consistently stated during prosecution that its fuel has a final boiling point of 345°F.

Appendix A

Talbert also relied on the 345°F upper limit to distinguish various references during prosecution of the '356 application. For example, in discussing Hamilton Patent No. 3,002,917, Talbert stated that "the temperature range of the boiling points of the hydrocarbons of the gasoline of the presently claimed invention is between 96.8° and 345°F. There is absolutely no suggestion of such a gasoline composition in the Hamilton reference." Talbert also argued that Hamilton "teaches away from [the claimed] fuel by providing for a fraction having a boiling range up to 390°F (column 1, lines 42-43). This fraction is not the same as, nor equivalent to, that which is the subject of applicant's composition claims." Talbert also stated that "fuel having hydrocarbon components with boiling points above those claimed" would function in a manner that "completely negate[s] an important characteristic of the composition of the invention." Although Talbert now argues that Hamilton's high-octane aviation gasoline differs in several ways from that of Talbert, and that Talbert was not required to recite all the differences from Hamilton during prosecution, nonetheless Talbert emphasized the difference in boiling point ranges as the distinction on which he premised patentability.

Again, in distinguishing the Schulze 2,409,157 patent, Talbert stressed his "final boiling point of 345° which corresponds to the boiling point of C_{10} paraffinic hydrocarbon," and also the limitation of the C_9-C_{10} hydrocarbons to paraffinic hydrocarbons. Talbert argues that Schulze is directed to an aviation gasoline containing a high proportion of aromatic hydrocarbons, and that Schulze was distinguished by Talbert's inclusion of the paraffinic limitation in the claims. While that is an accurate description

of the prosecution, Talbert also emphasized, for Schulze as well as for Hamilton, that 345°F marked the upper boiling point of the Talbert claimed gasoline. Even if such a precise limit was not necessary for patentability, as Talbert now argues, it is explicitly stated in the claims. Thus we confirm the district court's conclusion that the upper boiling temperature limit for the gasoline defined in claim 1 is 345°F.

Talbert states that this claim construction is incorrect because it is inoperable. We agree that a construction that renders the claimed invention inoperable should be viewed with extreme skepticism. *See generally Modine Mfg. Co. v. United States Int'l Trade Comm'n*, 75 F.3d 1545, 1557, 37 USPQ2d 1609, 1617 (Fed. Cir. 1996) ("When claims are amenable to more than one construction, they should when reasonably possible be interpreted so as to preserve their validity."). However, Talbert did not demonstrate inoperability or provide any basis for judicially interpreting the claim to adjust the temperature range that Talbert states is the inoperable limitation.

Talbert also states that the district court's construction of the claim excludes the preferred embodiment. *See Hoechst Celanese Corp. v. BP Chem. Ltd.*, 78 F.3d 1575, 1581, 38 USPQ2d 1126 (Fed. Cir. 1996) ("it is unlikely that an inventor would define the invention in a way that excluded the preferred embodiment, or that persons of skill in this field would read the specification in such a way"). Again, Talbert has not supported this argument. It does not contradict the specification's teaching that refinery distillations are imprecise, to apply the specification's teaching and the prosecution history's argument that the upper temperature limit of the gasoline is 345°F.

Appendix A

We confirm the district court's claim construction. On this construction Talbert conceded that there was not literal infringement; we have been directed to no contradiction of Unocal's statements that its production records show "true boiling point endpoints ranging from 373.8°F up to 472.9°F."

The Doctrine of Equivalents

The district court granted Unocal's summary judgment motion that there was no infringement under the doctrine of equivalents. Summary judgment may be granted on the factual question of equivalency when the nonmovant cannot prevail, even when resolving disputed facts and drawing all factual inferences in its favor. *See EMI Group v. Intel Corp.*, 157 F.3d 887, 891, 48 USPQ2d 1181, 1184 (Fed. Cir. 1998). The district court ruled that Talbert had "surrendered claims to a fuel with a boiling point in excess of 345°," and thus that Talbert was estopped to reach a fuel with a higher boiling range, under the doctrine of equivalents.

As we have discussed, to overcome the Hamilton reference Talbert argued that the Hamilton gasoline, a high-octane aviation fuel having a boiling range up to 390°F, is "not the same as, nor equivalent to" the claimed gasoline. Talbert states that this argument concerning Hamilton does not support a surrender of all higher boiling gasolines. Talbert states that the 121°-345°F temperature range was included in response to the examiner's requirement for specificity, not to overcome prior art. However, the prosecution record shows that Talbert relied on this temperature specificity for patentability purposes. *See Warner-Jenkinson Co. v. Hilton*

Davis Chemical Co., 520 U.S. 17, 30 (1997). We agree with the district court that Talbert is estopped to reach, by way of equivalency, Unocal's gasoline having a significantly higher boiling range. *See Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558, 56 USPQ2d 1986 (Fed. Cir. 2000) (*en banc*), *cert. granted*, 121 S. Ct. 2519 (No. 00-1543) (U.S. June 18, 2001).

The grant of summary judgment of noninfringement under the doctrine of equivalents is affirmed.

The Requested Interference Proceeding

Talbert states that it disclosed its invention to Unocal in 1989, that Unocal evaluated the invention and stated that it was not interested, and then a year later filed its own patent application (which issued as the '393 patent) on what Talbert states is substantially the same invention. The '393 patent's claim 81 follows, edited to include the limitations of the claims from which it depends:

> 81. An unleaded gasoline fuel [suitable for combustion in a spark ignition automotive engine, said fuel having an octane value of at least 92, a 50% D-86 distillation point no greater than 200°F, and a Reid Vapor Pressure no greater than 7.0 psi] and a 90% D-86 distillation point no greater than 300°F.

Talbert sought resolution in the district court of whether claim 81 of the Unocal '393 patent and claim 1 of the Talbert '356 patent are directed to the same invention, and a declaration

of priority of invention in accordance with the procedures of 35 U.S.C. §291:

> §291 The owner of an interfering patent may have relief against the owner of another by civil action, and the court may adjudge the question of the validity of any of the interfering patents, in whole or in part. The provisions of the second paragraph of section 146 of this title shall apply to actions brought under this section.

When patents are deemed "interfering" under §291, the district court determines priority of invention and may declare invalid any claim that loses the priority determination. Thus the necessary predicate to an interference under §291 is identity of the invention as claimed by each party. *See Advance Transformer Co. v. Levinson*, 837 F.2d 1081, 1084, 5 USPQ2d 1600, 1602 (Fed. Cir. 1988) ("interfering patents are patents that claim the same subject matter").

The district court denied Talbert's request for a §291 interference, on the ground that the inventions are not the same. The court found that the challenged claims of Unocal's '393 patent do not state a similar boiling point limit, and that "the '393 patent's specific olefin and paraffin limitations further distinguish it from the composition prescribed by the '356 patent." Thus the district court found that no interference existed.

Talbert argues that the '356 claims should not be read to include a temperature restriction; this argument fails, as we have discussed. Talbert also argues that Talbert's claim 1 and

Unocal's claim 81 define the same gasoline, but simply recite different characteristics. For example, Talbert states that Unocal's claimed properties of a 50% distillation point at or below 200°F, a 90% distillation point at or below 300°F, and a Reid Vapor Pressure no greater than 7.0, also exist in Talbert's claimed gasoline. Unocal in turn argues that several of the limitations in Talbert's claim 1 do not apply to Unocal's claim 81, such as the temperature limit of 345°F and the recitation of paraffin hydrocarbons. Unocal maintains that the properties stated in Unocal's claim 81 are not inherent in the gasoline of Talbert's claim 1 because gasoline covered by claim 1 will not always possess the properties set forth in claim 81.

Talbert is correct that interfering claims need not recite all of the same limitations, if in fact the claims cover the same subject matter. Talbert provided affidavits of David Hirshfield, described as a leading expert in gasoline technology, and of the inventor William Talbert, that a gasoline in accordance with claim 1 of the '356 patent would have the characteristics recited in claim 81 of the '393 patent. However, neither affiant substantiated this view or challenged Unocal's response that the Talbert fuel did not meet the claim 81 requirement of an octane value of at least 92.0. The Hirshfield affidavit states that "the octane value of the Talbert gasoline sample is only 84.3" and that additives were used to raise Talbert's octane to 92.

It is apparent that the octane value required by Unocal's claim 81 is not possessed by Talbert's gasoline of claim 1, but is available only by manipulation of the composition using octane-increasing additives. As explained in *Continental Can*

Co. v. Monsanto Co., 948 F.2d 1264, 1269, 20 USPQ2d 1746, 1749 (Fed. Cir. 1991), discussing inherency in the context of obviousness:

> Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient. [Citations omitted.] If, however, the disclosure is sufficient to show that the natural result flowing from the operation as taught would result in the performance of the questioned function, it seems to be well settled that the disclosure should be regarded as sufficient.

(quoting *In re Oelrich*, 666 F.2d 578, 581, 212 USPQ 323, 326 (CCPA 1981)). Accepting Talbert's expert testimony that one skilled in the art would have known how to raise the Talbert gasoline's octane value does not convert Talbert's claimed gasoline into one having a higher octane value. Talbert's affidavit evidence is insufficient as a matter of law to establish identity of subject matter. We affirm the district court's decision declining to declare an interference under §291.

AFFIRMED.

No costs.

APPENDIX B — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION DATED AND FILED OCTOBER 27, 1999

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

Case No. CV 98-0412 CBM

TALBERT FUEL SYSTEMS PATENTS CO.

Plaintiff,

v.

UNOCAL CORP., UNION OIL COMPANY OF CALIFORNIA, and TOSCO CORPORATION

Defendants.

ORDER GRANTING PLAINTIFF'S MOTION TO DISMISS DEFENDANT'S COUNTERCLAIMS AND RELATED AFFIRMATIVE DEFENSES WITHOUT PREJUDICE ON THE CONDITION THAT THEY MAY BE REINSTATED IF THE FEDERAL CIRCUIT REVERSES THE APRIL 13, 1999 AND MAY 1999 ORDERS

The matter before the Court is Plaintiff's motion regarding final judgment. Upon consideration of the papers submitted, the Court GRANTS Plaintiff's motion to dismiss Defendant's counterclaims and related affirmative defenses without prejudice on the condition that they may be reinstated if the Federal Circuit reverses the April 13, 1999 and May 1999 order.

Appendix B

I. BACKGROUND

On January 16, 1998, Plaintiff Talbert filed suit alleging that Defendants Unocal and Tosco infringed on its '356 patent. Talbert also alleged that the '393 patent, which was assigned to Unocal, was an interfering patent with the '356 patent pursuant to 35 U.S.C. § 291, and asked the Court to find the '393 patent invalid.

On February 17, 1998, Unocal answered the complaint and filed a counterclaim against Talbert, seeking a declaration of non-infringement and invalidity of the '356 patent, and a declaration that Talbert is equally estopped from asserting the '356 patent against Unocal. On March 4, 1998 and as amended on October 20, 1998, Tosco answered and filed an amended counterclaim against Talbert seeking a declaration of non-infringement and invalidity of the '356 patent, and equitable estoppel.

On December 15, 1998 the Court issued an order construing the claims of the '356 patent in suit and dismissing Count III of the Complaint (interference claim against Unocal). On April 13, 1999 the Court granted Unocal and Union Oil summary judgment of non-infringement and dismissed the complaint. On May 5, 1999 the Court granted Tosco summary judgment of non-infringement and dismissed the complaint.

Plaintiff Talbert believes that the orders have mooted the topic of patent validity and consequently, on May 19, 1999, filed a notice of appeal with the Federal Circuit, who has exclusive jurisdiction over patent appeals, to obtain review of the April and May 1999 orders. The appeal was docketed on June 9, 1999, and Talbert's appeal brief was due on August

9, 1999. Defendant Tosco has also filed a motion with the Federal Circuit, asking the Circuit to dismiss Talbert's appeal because the Federal Circuit lacks jurisdiction pursuant to 28 U.S.C. § 1295 because there is no final judgment. Defendant Tosco served discovery requests regarding patent validity on June 14, 1999.

Talbert here moves for the dismissal of Defendant's counterclaims and related affirmative defenses without prejudice on the condition that they may be reinstated if the Federal Circuit reverses the April 13, 1999 and May 1999 orders. Talbert asserts that both orders rely on the December 15, 1998 order.

In the alternative, Talbert moves pursuant to Rule 54(b) of the Federal Rules of Civil Procedure for an order that the April 13, 1999, May 5, 1999, and December 15, 1998 orders are a final judgment as to fewer than all of the claims "based on an express determination that there is no just reason for delay and with an express direction for the entry of judgment." Talbert also moves, if the Court chooses this alternative, for a stay of Tosco's discovery requests[1] served on June 14, 1999 regarding the validity of Talbert's patent.

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1. The requests include interrogatories, requests for admission, and requests for production.

Appendix B

II. DISCUSSION

A. Plaintiff Talbert's motion for dismissal of Defendant's counterclaims and affirmative defenses without prejudice

The Supreme Court has counseled that the better approach is for courts to inquire into both non-infringement and invalidity in order to prevent piecemeal litigation and to increase judicial efficiency.

> There has been a tendency among the lower federal courts in infringement suits to dispose of them where possible on the ground on non-infringement without going into the question of validity of the patent. [Citations to circuit court decisions omitted.] It has come to be recognized, however, that of the two questions, validity has the greater public importance, [citation omitted] and the District Court in this case followed what will usually be the better practice by inquiring fully into the validity of [the] patent.

Sinclair & Carroll Co. v. Interchemical Corp., 325 U.S. 327, 330 (1945). More recently, the Supreme Court stated that the dispositive distinction is whether the validity claim is found in an affirmative defense or in a counterclaim for declaratory judgment, and indicated that on appeal it is necessary to resolve a counterclaim for declaratory judgment. *Cardinal Chemical Co. v. Morton Int'l, Inc.*, 508 U.S. 83, 100, 93-94 (1993). However, the Court noted that the issue in *Cardinal* was the jurisdiction of an intermediate appellate

court, not the jurisdiction of a trial court, and reaffirmed that "the Declaratory Judgment Act affords the district court some discretion in determining whether or not to exercise that jurisdiction, even when it has been established." *Id.* at 94 n.17.

Indeed, the Federal Circuit has held that a trial court has the "discretion to dismiss a counterclaim alleging that a patent is invalid as moot where it finds no infringement." *Phonometrics, Inc. v. Northern Telecom, Inc.*, 133 F.3d 1459, 1468 (Fed.Cir.1998). *See also Nestier Corp. v. Menasha Corp.-Lewisystems Div.*, 739 F.2d 1576, 1580-81 (Fed.Cir. 1984). The Federal Circuit has noted that "[t]he residual possibility or a future infringement suit based on [the declaratory plaintiff's] future acts is simply too speculative a basis for jurisdiction over [its] counterclaim for declaratory judgments of invalidity." *Super Sack Manufacturing Corp. v. Chase Packaging Corp.*, 57 F.3d 1054, 1059-60 (Fed. Cir. 1995).

Note, however, that the Federal Circuit has also stated that a district court should decide non-infringement and invalidity when both issues are before the court. *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1540-41 (Fed. Cir. 1983); *Lindemann Maschinenfabrik GMBH v. American Hoist and Derrick Co.*, 730 F.2d 1452, 1463-64 (Fed. Cir. 1984) ("To enter judgment on less than all dispositive issues can be inefficient, risking as it does the necessity of the district court and the parties undertaking participation in another long and costly proceeding.")

Appendix B

Plaintiff Talbert argues that the determination of non-infringement moots the issue of patent validity that Tosco presented as a counterclaim. Talbert asserts that there is no just reason for delay.

Defendant Unocal agrees to and prefers dismissal without prejudice, subject to reinstatement if the orders are reversed.

Defendant Tosco asserts that regardless of the outcome of an appeal of the noninfringement rulings, the counterclaims are not moot because an ongoing controversy exists over the validity of the '356 patent.[2] Tosco asserts that a finding of invalidity will end the ongoing conflict while a finding of non-infringement will not. Talbert replies that Tosco fails to present any facts supporting its statement that Tosco "necessarily faces continued conflict with Talbert." Talbert asserts that the Court has determined that all of Tosco's CARB certified reformulated gasolines that could be accused of infringing the '356 patent to be non-infringing.

It appears that the decision to dismiss is a discretionary one. This Court GRANTS Plaintiff's motion to dismiss Defendant's counterclaims and related affirmative defenses

2. Specifically, Tosco asserts that Tosco is a major supplier of reformulated low emission gasolines which meet the California Air Resources Board ("CARB") requirements, and that Talbert has represented that its '356 patent covers reformulated (CARB) certified gasolines. Tosco asserts that since Talbert has sued Tosco for alleged infringement, and may assert the '356 patent in the future, a continuing conflict exists. Tosco asserts that Unocal is in a different position because Unocal no longer manufactures or sells the accused reformulated CARB certified gasolines, and so has no desire to invalidate Talbert's patent.

without prejudice on the condition that they may be reinstated if the Federal Circuit reverses the April 13, 1999 and May 1999 orders. *See Phonometrics, Inc. v. Northern Telecom, Inc.*, 133 F.3d 1459, 1468 (Fed. Cir. 1998); *Nestier Corp. v. Menasha Corp.-Lewisystems Div.*, 739 F.2d 1576, 1580-81 (Fed. Cir. 1984); *Super Sack Manufacturing Corp. v. Chase Packaging Corp.*, 57 F.3d 1054, 1059-60 (Fed. Cir. 1995). No ruling on the alternative motion pursuant to Rule 54(b) is necessary based on this Court's findings and granting of Plaintiff's motion to dismiss.

IT IS SO ORDERED.

DATE: October 27, 1999

s/ Consuelo B. Marshall
CONSUELO B. MARSHALL
UNITED STATES DISTRICT JUDGE

APPENDIX C — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION DATED MAY 3, 1999, FILED MAY 4, 1999 AND ENTERED MAY 5, 1999

* * *

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

Civil Action No. 98-0412 KMX (RNBx)

TALBERT FUEL SYSTEMS PATENTS CO.,

Plaintiff,

v.

UNOCAL CORPORATION, UNION OIL COMPANY OF CALIFORNIA, and TOSCO CORPORATION,

Defendants.

AND RELATED CROSS ACTIONS

ORDER [PROPOSED] GRANTING TOSCO CORPORATION'S MOTION FOR SUMMARY JUDGMENT OF NONINFRINGEMENT

WHEREAS, on April 13, 1999, the Court entered an Order Granting Defendants Unocal Corporation's and Union Oil Company of California's ("Unocal") Motion for Summary Judgment of Noninfringement of U.S. Patent No. 5,015,356 ("the '356 patent") asserted by Plaintiff Talbert Fuel Systems Patents Co. ("Talbert"); and

Appendix C

WHEREAS, Talbert and Defendant Tosco Corporation ("Tosco") have entered into a Stipulation, attached as Exhibit A, pursuant to which Tosco has moved for Summary Judgment of Noninfringement of the '356 patent.

NOW, THEREFORE, in view of the parties' Stipulation and the Order entered April 13, 1999 granting Unocal's Motion for Summary Judgment of Noninfringement,

IT IS HEREBY ORDERED that Tosco's Motion for Summary Judgment of Noninfringement of the '356 patent is granted and the Court's April 13, 1999 ruling of noninfringement is hereby extended to include Tosco as well as Unocal.

Dated: MAY 3 1999

s/ Consuelo B. Marshall
Hon. Consuelo B. Marshall
UNITED STATES DISTRICT JUDGE

* * *

APPENDIX D — STIPULATION AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION DATED APRIL 28, 1999 AND APRIL 29, 1999

* * *

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

Civil Action No. 98-0412 CMB (RNBx)

TALBERT FUEL SYSTEMS PATENTS CO.,

Plaintiff,

v.

UNOCAL CORPORATION, UNION OIL COMPANY OF CALIFORNIA, and TOSCO CORPORATION,

Defendants.

AND RELATED CROSS ACTIONS

STIPULATION AND ORDER [PROPOSED]
RE MOTION FOR SUMMARY JUDGMENT
OF NONINFRINGEMENT BY
TOSCO CORPORATION

WHEREAS, on April 13, 1999, the Court entered an Order Granting Defendants Unocal Corporation's and Union Oil Company of California's ("Unocal") Motion for Summary Judgment of Noninfringement;

Appendix D

WHEREAS, Plaintiff Talbert Fuel Systems Patents Co. ("Talbert") has admitted that Defendant Tosco Corporation's ("Tosco") gasoline accused of infringement is the same as the Unocal gasoline accused of infringement insofar as the Tosco gasoline does not have both an RVP between 6 psi and 9 psi and a final true boiling point less than or equal to 345°F; and

WHEREAS, Talbert has further admitted that the accused Tosco gasoline, like the accused Unocal gasoline, does not literally infringe any claims of U.S. Patent No. 5,015,356 as those claims were construed by the Court in its Order entered December 15, 1998.

NOW, THEREFORE, to efficiently resolve the issue of infringement under the doctrine of equivalents with respect to Tosco, Talbert and Tosco hereby stipulate that:

1. Tosco moves the Court for summary judgment of noninfringement in favor of Tosco on the same grounds stated in Unocal's Motion for Summary Judgment of Noninfringement.

2. Talbert opposes Tosco's motion on the same grounds stated in Talbert's Opposition to Unocal's Motion.

3. Tosco's motion is submitted for ruling by the Court. Tosco will concurrently lodge for the Court's consideration a Proposed Order granting Tosco's Motion and extending the Court's April 13, 1999 ruling of noninfringement to include Tosco as well as Unocal.

4. This Stipulation is without waiver of or prejudice to any and all rights of appeal.

Appendix D

IT IS SO STIPULATED:

RONALD L. ENGEL
c/o JOHNSON BELL, LTD.

Dated: 4/29/99

By: s/ Ronald L. Engel
Ronald L. Engel
Attorneys for Plaintiff
and Counterdefendant
TALBERT FUEL SYSTEMS
PATENTS CO.

KNOBBE, MARTENS, OLSON
& BEAR, LLP

Dated: 4/28/99

By: s/ James F. Lesniak
James F. Lesniak
Craig S. Summers
John P. Giezentanner
Attorneys for Defendant
and Counterclaimant
TOSCO CORPORATION

IT IS SO ORDERED:

Dated: _____

_____
Hon. Consuelo B. Marshall
UNITED STATES
DISTRICT JUDGE

APPENDIX E — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA DATED APRIL 6, 1999, FILED APRIL 12, 1999 AND ENTERED APRIL 13, 1999

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Civil Action No. 98-0412 CMB (RNBx)

TALBERT FUEL SYSTEMS PATENTS CO.,

Plaintiff,

v.

UNOCAL CORPORATION, UNION OIL COMPANY OF CALIFORNIA, and TOSCO CORPORATION,

Defendants.

UNOCAL CORPORATION and UNION OIL COMPANY OF CALIFORNIA, and TOSCO CORPORATION,

Counterclaimants

v.

TALBERT FUEL SYSTEMS PATENTS CO.,

Counterdefendant.

The matter before the Court is Defendants Unocal Corporation ("Unocal") and Union Oil's ("Union") Motion for Summary Judgment. On March 22, 1999 the parties appeared before the Court, the Honorable Consuelo B.

Marshall, United States District Judge, presiding. Upon consideration of the papers submitted and the arguments of counsel, the Court GRANTS Defendants' Motion.

I. BACKGROUND

Plaintiff, Talbert Fuel Systems, is the owner of US Patent No. 5,015,356 ("the '356 patent"), which issued May 14, 1991. Defendant Unocal is the owner by assignment of the US Patent No. 5,288,393 ("the '393 patent"), which issued February 22, 1994. Both patents cover formulas for making reformulated gasoline.

The concept behind both patents is a method for creating a reformulated gasoline that retains all of the performance aspects of conventional gasoline but reduces polluting emissions. Conventional gasoline consists of a mixture of hydrocarbons ranging from C4 to C12. The parties' reformulated gasolines attempt to reduce the amount of low and high end hydrocarbons in order to reduce volatility and emissions. Low end carbons are quite volatile, but are added to fuel as "primers" to aid engine performance and ensure the starting of cold engines. The volatility of these carbons leads to evaporative and emission losses and thus - pollution.[1] The higher end or heavyweight hydrocarbons are included in traditional gasolines because producers have previously believed that their presence is necessary to provide a fuel having "suitable properties" for automotive use.

1. Reid Vapor Pressure is the measurement of gasoline volatility. Both parties agree that current fuels include too many volatile components which raise the Reid Vapor Pressure to undesirable levels.

Appendix E

These heavyweight components also contribute to pollution because they take longer to burn and/or burn too hot, producing high levels of nitrous oxides. (See Exhibit F, Pl's Appendix, pp. 315-320).

Unocal's '393 patent and Talbert's '356 patent both cover a formula for gasoline containing reduced low and high end hydrocarbons and concentrating the middle weight (C6-C10) hydrocarbons to produce a high performance and "environmentally friendly" gasoline.

On March 1, 1996, the California Air Resources Board established regulations mandating the use of reformulated or so-called "Phase 2" gasoline in California in order to reduce air pollution. Unocal was in the business of making, using, selling and offering for sale this reformulated gasoline (the '393 patent formula). On December 14, 1996, Unocal sold its business of refining and marketing reformulated gasolines to Tosco. Unocal retained the '393 patent and granted Tosco a license under the '393 patent to manufacture this reformulated gasoline.

On April 30, 1997, Talbert Fuel Systems, Inc., believing that Defendants were manufacturing gasoline that infringed the '356 patent, sent letters to Defendants Unocal and Tosco offering licenses of the '356 patent. Neither of the defendants responded to the letter. On January 16, 1998, Talbert filed the instant action alleging three claims: (1) Direct Patent Infringement by Unocal; (2) Direct Patent Infringement by Tosco; and (3) Interfering Patents. On February 17, 1998 Unocal filed an answer and a counterclaim for declaratory judgment seeking a determination that the '356 patent is invalid and that Talbert is estopped from attempting to collect royalties under the '356 patent against Unocal. On March 4, 1998, Tosco filed an answer and counterclaim seeking identical declaratory and injunctive relief and requesting a jury trial.

Appendix E

On December 15, 1998, this Court granted the parties' request for limited claim construction of the '356 patent. Based upon that construction, the court found that the '356 and '393 patents were not interfering patents and accordingly granted Defendant's Motion to Dismiss Plaintiff's Third Claim for Relief. On March 1,1999, Defendants filed the instant motion for summary judgment.

III. DISCUSSION

A. Summary Judgment Standard

Summary judgment may be granted when "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). In a motion for summary judgment, "[i]f the party moving for summary judgment meets its initial burden of identifying for the court those portions of the materials on file that it believes demonstrates the absence of any genuine issues of material fact," the burden of production then shifts so that the non-moving party must set forth, by affidavit or as otherwise provided in Rule 56, "specific facts showing that there is a genuine issue for trial." *T.W. Elec. Serv. Inc. v. Pacific Elec. Contractors Ass'n*, 809 F.2d 626, 630 (9th Cir. 1987) (quoting *Celotex Corp. v. Catrett*, 477 U.S. 317, 324 (1986)); *Kaiser Cement Corp. v. Fishbach & Moore, Inc.*, 793 F.2d 1100, 1103-1104 (9th Cir. 1986), *cert. denied*, 479 U.S. 949 (1986).

Appendix E

If the non-moving party bears the burden of proof with respect to an element essential to the case, and that party fails to make a sufficient showing to establish a genuine dispute of fact with respect to the existence of the element, summary judgment is appropriate. *California Architectural*, 818 F.2d at 1468 (citing *Celotex*, 477 U.S. at 317).

B. Plaintiff's Claim for Infringement Under the "Doctrine of Equivalents"

Plaintiff concedes that Unocal's '393 patent does not literally infringe Talbert's '356 patent. Plaintiff argues instead that the '393 patent infringes the '356 under the "doctrine of equivalents." Even if a court finds that there is no literal infringement, a patentee may offer proof of infringement under the doctrine of equivalents if the accused product "performs substantially the same function in substantially the same way to obtain the same result." *Multiform Dessicants Inc. v. Medzam Ltd.*, 133 F.3d 1473, 1480 (Fed. Cir. 1998). Before assessing the issue of technological similarity, however, a court must first determine whether there is any "estoppel derived from the prosecution history that bars remedy even when there is technologic equivalency." *Id.* This prosecution history estoppel precludes the patentee from reaching, under the doctrine of equivalents, subject matter that was disclaimed in order to obtain the patent. *Id.*; *see also Bai v. L&L Wings, Inc.*, 160 F.3d 1350, 1356 (Fed. Cir. 1998); *Depser Products Inc. v. Osound Labs. Inc.*, 157 F.3d 1325, 1338 (Fed. Cir. 1998).

Talbert emphasizes that, to determine whether an estoppel exists to limit the doctrine of equivalents, the court

must engage in a different inquiry than that which guided the claim construction analysis. This may generally be true; however, in construing the relevant claims of the '356 patent, this court found that "Talbert distinguished his fuels from prior art by highlighting that his middle cut gasoline blend had a final boiling point of 345°." (Dec. 15 Order, 5:16-18) Talbert's opposition to the instant motion essentially repeats the arguments that were made and rejected in the context of the claim construction of the '356 patent. These arguments carry no greater force in opposing this motion because the court has already determined that, in order to distinguish the '356 patent from prior art, Talbert surrendered claims to a fuel with a boiling point in excess of 345°. "[A] patentee, after relinquishing subject matter to distinguish a prior art reference asserted by the PTO during prosecution 'cannot during subsequent litigation escape reliance [by the defendant] upon this unambiguous surrender of subject matter.' " *Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d 1372, 1379 (Fed. Cir. 1998) (quoting *Southwall Techs. Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1576 (Fed. Cir. 1995)). Talbert is therefore estopped from arguing that a fuel with an endpoint above 345°F infringes the '356 patent under the doctrine of equivalents.

Based on the foregoing, the court GRANTS Defendants' Motion for Summary Judgment on Claims 1 and 2..

IT IS SO ORDERED.

DATE: 4/6/99

s/ Consuelo B. Marshall
CONSUELO B. MARSHALL
UNITED STATES DISTRICT JUDGE

APPENDIX F — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA DATED DECEMBER 11, 1998, FILED DECEMBER 14, 1998 AND ENTERED DECEMBER 15, 1998

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Case No. CV 98-0412 CMB (RNBx)

TALBERT FUEL SYSTEMS PATENTS CO.,

Plaintiff,

v.

UNOCAL CORPORATION, UNION OIL COMPANY OF CALIFORNIA, and TOSCO CORPORATION,

Defendants.

UNOCAL CORPORATION and UNION OIL COMPANY OF CALIFORNIA, and TOSCO CORPORATION,

Counterclaimants

v.

TALBERT FUEL SYSTEMS PATENTS CO.,

Counterdefendant.

ORDER GRANTING PARTIES' REQUEST FOR CLAIM CONSTRUCTION AND GRANTING DEFENDANTS' MOTION TO DISMISS

The matters before the Court are; (1) Defendants' Motion for limited claim construction; (2) Defendants' 12(b)(1)

motion to dismiss; and (3) Plaintiff's Motion for claim construction. On November 23, 1998, the parties came before the Court, the Honorable Consuelo B. Marshall, United States District Judge, presiding. Upon consideration of the papers submitted and the arguments of counsel, the Court GRANTS the parties' request for a claim construction of Talbert's '356 patent and, based upon that construction, GRANTS Defendants' Motion to DISMISS WITH PREJUDICE Talbert's third claim for interfering patents.

I. BACKGROUND

Plaintiff, Talbert Fuel Systems, is the owner of US Patent No. 5,015,356 ("the '356 patent"), which issued May 14, 1991. Defendant Unocal is the owner by assignment of the US Patent No. 5,288,393 ("the '393 patent"), which issued February 22, 1994. The same examiner presided over the prosecution of Talbert's '356 patent and Unocal's '393 patent, and Unocal actually submitted the '356 patent to the examiner; however, the examiner never raised Talbert for either obviousness or anticipation during the prosecution of Unocal's patent.

The concept behind both patents is a method for creating a reformulated gasoline that retains all of the performance aspects of conventional gasoline but reduces polluting emissions. Conventional gasoline consists of a mixture of hydrocarbons ranging from C4 to C12. The parties' reformulated gasolines attempt to reduce the amount of low and high end hydrocarbons in order to reduce volatility and emissions.

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On March 1, 1996, the California Air Resources Board established regulations mandating the use of reformulated or so-called "Phase 2" gasoline in California in order to reduce air pollution. Unocal was in the business of making, using, selling and offering for sale this reformulated gasoline. On December 14, 1996, Unocal sold its business of refining and marketing reformulated gasolines to Tosco. Unocal retained the '393 patent and granted Tosco a license under the '393 patent to manufacture this reformulated gasoline.

On April 30, 1997, Talbert Fuel Systems, Inc., believing that Defendants were manufacturing gasoline that infringed the '356 patent, sent letters to Defendants Unocal and Tosco offering licenses of the '356 patent. Neither of the defendants responded to the letter. On January 16,1998, Talbert filed the instant action alleging three counts: (1) Direct Patent Infringement by Unocal; (2) Direct Patent Infringement by Tosco; and (3) Interfering Patents. The case was assigned to Judge Wardlaw. Both defendants filed an answer and a counterclaim for declaratory judgment seeking a determination that the '356 patent is invalid and that Talbert is estopped from attempting to collect royalties under the '356 patent against defendants. On March 18, 1998, Defendants filed a motion to dismiss pursuant to 12(b)(1) and for limited claim construction. On July 28, 1998, plaintiff filed a motion for claim construction. Judge Wardlaw had not addressed either motion at the time she was appointed to the Ninth Circuit. On September 11, 1998, the case was reassigned to this Court.

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III. DISCUSSION

A. Defendants' 12(b)(1) Motion to Dismiss

Defendants claim that this Court does not have subject matter jurisdiction over count three of Plaintiff's complaint for "interfering patents." This third claim alleges that Talbert's '356 patent and the '393 are interfering patents within the meaning of 35 U.S.C. §291, and seeks to invalidate the '393 on those grounds. Section 291 provides that "the owner of an interfering patent may have relief against the owner of another by civil action, and the court may adjudge the question of any of the interfering patents, in whole or in part." 35 U.S.C. §291. However, a court does not have subject matter jurisdiction to judge the validity of a patent where a plaintiff cannot establish that "interference" exists. *Albert v. Kevex Corp.*, 729 F.2d 757, 760-61 (Fed. Cir.), reh'g denied, 741 F.2d 396 (Fed. Cir. 1984).

In order for a court to find interference, a party must establish "substantial identity" between the claims of the patents. *Id.* Under this standard, all limitations of a claim are material. Defendants argue that although the inventive concepts of the patents are similar, the two claims at issue contain different limitations and thus are not interfering.[1] In order to evaluate whether the patents are interfering, this Court must engage in a limited claim construction of the '356 patent.

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1. The parties agree that plaintiff's claim of "interfering patents" is directed specifically to claim 1 of Talbert's '356 patent and claim 81 of the '393 patent. The parties further agree that the language of claim 81 is sufficiently clear as to preclude the need for the Court to engage in a formal claim construction of the '393 patent.

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B. Claim Construction of '356 Patent

Claim construction is a matter of law for the trial court. *Markman v. Westview Instruments, Inc.*, 116 S. Ct. 1384, 1393 (1996). "It is well-settled that in interpreting an asserted claim, the court should look to the intrinsic evidence of record, i.e. the patent itself, including the claims, the written description portion of the specification and, if in evidence, the prosecution history. Such intrinsic evidence is the most significant source of the legally operative meaning of disputed claim language." *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996) (citations omitted). Courts must be careful to merely understand and explain the scope of the patent, and not to transform or expand that scope during construction. *Scripps Clinic & Res. Found. v. Genetech, Inc.*, 927 F.2d 1565 (Fed. Cir. 1991).

1. Intrinsic Evidence in the Record

Talbert claims that the '393 and '356 patents embody the same inventive concept by a different name. However, a claim under §291 requires identical "claims" in a patent, not identical "inventive concepts." *Advance Transformer Co. v. Levinson*, 837 F.2d 1081, 1083-84 (Fed. Cir. 1988). Both patents cover novel fuel compositions which reduce the content of low and high end hydrocarbons from conventional gasoline. Defendants' patent describes the concept in terms of the gasoline's physical properties, specifically its distillation characteristics ("boiling points"), while Plaintiff's concept is described primarily in terms of its hydrocarbon speciation. Plaintiff contends that these are merely two methods of identifying an identical gasoline composition.

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Defendants maintain that the express limitations contained in Unocal's patent (e.g. T50, T10, T90, paraffin volume percent, olefin volume percent, octane, unleaded motor gasoline), create material differences that preclude a finding of interfering patents under §291. Defendants' primary basis for differentiating the two patent claims, however, is that the '356 patent includes a restrictive range of boiling points, while the '393 patent contains no such restriction.

a. Language of the '356 Claim

Defendants contend that Talbert's patent encompasses only a gasoline with a boiling point range of 121-345° F. Talbert disagrees, stating that the language in their claim that describes a "gasoline having a boiling point range between 121° F and 345° F" was merely illustrative and is not limiting language. Under Talbert's interpretation, the '356 patent also covers a gasoline with boiling points below or above the stated range, depending upon the existence of low end primers and residual high end components. Talbert believes that its patent specifically allows for such low and high end components because its claim recitation describes a gasoline "consisting essentially of . . ." mid range hydrocarbons but allowing for residual low and high end components that may be left behind "due to imperfections in current fractionation techniques." (Col 6, lines 7-12). However, contrary to Talbert's arguments, the clear language of claim one describes the following composition:

> a "gasoline comprising a priming agent and a hydrocarbon mixture having intermediate carbon range relative to C4-C12 fuel; said intermediate carbon range consisting essentially of C6-C10

> hydrocarbons with C9 and C10 paraffinic hydrocarbons being present in the mixture; *said gasoline* having a boiling point range of 121°F - 345°F at 1 atmosphere pressure . . ."

(emphasis added). Talbert chose to explicitly include a "range" of boiling points and to specify the type of high end hydrocarbons included in his middle cut blend - paraffinic C10 hydrocarbons; whose highest boiling point is 345° F. These explicit limitations included in the claim clearly indicate that the patent covers a hydrocarbon composition fuel with an end point of 345 °F.

b. Talbert's Prosecution History

A review of the prosecution history confirms this court's interpretation of the claim language. In construing the '356 patent, the Court may consider representations and arguments made to the examiner, including those in related applications. See *Jonsson v. Stanley Works*, 903 F.2d 812, 818 (Fed. Cir. 1990). Talbert's prosecutions of applications 463,251, 638,069, and 941,833 involved very similar parent fuels of the '356 fuel.[2] In prosecuting these early applications before the Patent and Trademark office, Talbert distinguished his fuels from prior art by highlighting that his middle cut gasoline blend had a final boiling point of 345 degrees.[3] Similarly, in the prosecution of

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2. Although some of these applications addressed gasifier fuels, Talbert has conceded that the standard carburetor gasoline is the same as his gasifier composition, except for a small amount of priming agent. See '356 patent, Col. 9, l. 19-22.

3. See e.g. Def's Appendix, Exhibit A, pp. 2, 53; Exhibit C, pp. 174, 182; Exhibit F, p. 372.

the '356 patent, Talbert stated that "it will be noted that applicant's fuel which contains C9 and C10 hydrocarbons has a final boiling point of 345° Centigrade (sic) which corresponds to the boiling point of C10 paraffinic hydrocarbon." (Tab 16, '356 file History Amendment under Rule 312(a), January 9, 1990.). Therefore, regardless of Talbert's qualifying modifiers, the Court-finds that the language of the claim, the specifications and the prosecution history reveal that the '356 patent covers a gasoline with a high end boiling point of 345° F. See *Ekchian v. Home Depot, Inc.*, 104 F.3d 1299, 1304 (Fed. Cir. 1997); *Vitrionics*, 90 F.3d at 1582

2. Extrinsic Evidence

Reliance on extrinsic evidence to interpret claims is proper only when claim language "remains genuinely ambiguous after consideration of the intrinsic evidence." *Bell & Howell Document Mgmt. Prod. Co. v. Altek Systems*, 132 F.3d 701, 706 (Fed. Cir. 1997). Such evidence should be used only to aid the court in "coming to the proper understanding of the claims" and the technology involved. *Vitronics*, 90 F.3d at 1583. The Court finds that the language of the '356 claim is unambiguous, and thus the Court need not refer to extrinsic evidence to resolve the issues involved in these motions.

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IV. CONCLUSION

Based upon the analysis above, the Court finds the '356 patent to claim a liquid gasoline with an RVP between 6-9 psi; to claim a carbon range of C6-C10 hydrocarbons, which includes a range of true boiling points from 121° F to 345° F and which allows for the presence of a C4 and C5 priming agent. Unocal's '393 patent contains no such limitation on distillation characteristics. In addition, the '393 patent's specific olefin and paraffin limitations further distinguish it from the composition proscribed by the '356 patent. These distinctions preclude a finding of interfering patents under §291. Accordingly, this Court DISMISSES WITH PREJUDICE claim number three of Plaintiff's complaint for lack of subject matter jurisdiction.

IT IS SO ORDERED.

DATE: 12/11/98

s/ Consuelo B. Marshall
CONSUELO B. MARSHALL
UNITED STATES DISTRICT JUDGE

APPENDIX G — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DENYING PETITION FOR REHEARING DATED AND FILED MARCH 15, 2002

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

99-1421

TALBERT FUEL SYSTEMS PATENTS CO.,

Plaintiff-Appellant,

v.

UNOCAL CORPORATION,
UNION OIL COMPANY OF CALIFORNIA,

Defendants-Appellees,

and

TOSCO CORPORATION,

Defendant-Appellee.

ORDER

A combined petition for panel rehearing and for rehearing en banc having been filed by the APPELLANT, and the petition for rehearing having been referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF, it is

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ORDERED that the petition for panel rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on March 22, 2002.

FOR THE COURT,

s/ Jan Horbaly
Jan Horbaly
Clerk

Dated: March 15, 2002

(2)

No. 02-90

Supreme Court, U.S.
FILED
AUG 16 2002
OFFICE OF THE CLERK

In The

Supreme Court of the United States

TALBERT FUEL SYSTEMS PATENTS CO.,

Petitioner,

v.

UNOCAL CORPORATION and
TOSCO CORPORATION,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

RESPONDENT TOSCO CORPORATION'S BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether there is a reasonable probability that reconsideration in light of this Court's decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. __, 122 S. Ct. 1831 (U.S. 2002) (*Festo*) would alter the Federal Circuit's conclusion that Petitioner's intentional and specific surrender of coverage of the accused products precludes infringement under the doctrine of equivalents.

CORPORATE DISCLOSURE STATEMENT

Respondent Tosco Corp., is a wholly owned subsidiary of Phillips Petroleum Company. No publicly held company owns 10% or more of the stock of Phillips Petroleum Company.

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RESPONDENT TOSCO CORP.'S BRIEF IN OPPOSITION TO THE PETITION

SUMMARY

The Petition for *certiorari* should be denied because this Court's *Festo* decision, as well as prior decisions of this Court, unequivocally preclude infringement under the doctrine of equivalents in this case.

During the prosecution of the asserted patent, Petitioner Talbert attempted to obtain claims that literally would have encompassed gasolines having the range of final boiling points of the accused products. The Patent Office repeatedly rejected these claims as unpatentable in view of several prior art patents. In response, Talbert amended his claims to recite a specific final boiling point temperature of 345°F and argued to the Patent Office that the amended claims no longer covered gasolines having final boiling points above the recited limit. As such, the amended claims no longer covered the accused gasolines.

The Federal Circuit held that prosecution history estoppel precluded infringement under the doctrine of equivalents because Talbert had intentionally and specifically surrendered coverage of gasolines having the final boiling points Talbert was seeking to recapture as an equivalent. Thus, this Court's *Festo* decision would not affect the outcome of the Federal Circuit's decision in this case because it was based on a deliberate surrender by Talbert, a classic basis for prosecution history estoppel expressly reaffirmed by this Court in *Festo*.

Simply because the Federal Circuit cited its now-vacated *Festo* decision in holding that Talbert was

estopped from asserting that the accused gasolines infringe under the doctrine of equivalents does not automatically require this Court to vacate and remand for further consideration. In the decision below, the Federal Circuit applied traditional rules of estoppel by surrender or disclaimer – not any absolute bar – and could have cited any number of prosecution history estoppel cases, including this Court's decision in *Warner-Jenkinson Co. v. Hilton-Davis Chemical Co.*, 520 U.S. 17, 117 S. Ct. 1040 (1997), as support.

In asserting infringement under the doctrine of equivalents, Talbert attempts to recapture final boiling point temperatures that were easily quantifiable, described in the specification, and the very subject of Talbert's express arguments and amendments to the Patent Office. Because the Federal Circuit's decision in this case is not affected by this Court's *Festo* decision, Talbert fails to meet the requirements for a "GVR"[1] and the Petition should be denied.

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[1] A "GVR" may be granted only where there is "a reasonable probability that the decision below rests upon a premise that the lower court would reject if given the opportunity for further consideration, and where it appears that such a redetermination may determine the outcome of the litigation. . . . " *Lawrence v. Chater*, 516 U.S. 163, 167-68, 116 S. Ct. 604, 607 (1996). "[I]f the delay and further cost entailed in a remand are not justified by the potential benefits of further consideration by the lower court, a GVR order is inappropriate." *Id.* at 168, 116 S. Ct. at 607.

REASONS FOR DENYING THE PETITION

A. This Court's *Festo* Decision Precludes Infringement Under The Doctrine Of Equivalents Because Talbert Intentionally Surrendered Coverage Of The Accused Gasolines

Talbert agrees that the patent claim at issue requires a boiling point range of 121°F-345°F. *See* Pet. Br. at 5; App. 5-6 ("said gasoline having a boiling point range of 121-345°F") (quoting Claim 1); App. 10 (claim construction analysis confirming that Claim 1 is limited to an upper boiling point of 345°F). The Federal Circuit found, and Talbert does not dispute, that the gasolines accused of infringement exhibit final boiling points between 373.8°F and 472.9°F and, therefore, cannot literally infringe the '356 patent. *See* App. 11 ("Talbert conceded that there was not literal infringement."); App. 26 (Talbert's admission before the district court). Talbert's sole contention is that the final boiling points of the accused gasolines, 373.8°F to 472.9°F, are somehow equivalent to the claimed final boiling point of 345°F, and, therefore, these gasolines infringe the claim under the doctrine of equivalents. *See* App. 32; Pet. Br. at 2, 8-9 (asserting the Federal Circuit's application of *Festo* as the basis for the GVR request).

Both the district court and the Federal Circuit held that prosecution history estoppel precluded a finding of equivalence as a matter of law. By adding the 345°F final boiling point to the claim and arguing that this limitation was critical and a basis for patentability over the prior art, Talbert unconditionally surrendered coverage of gasolines having final boiling points as high as the accused gasolines. *See* App. 33 (district court's analysis based on pre-*Festo* law); App. 11-12 (affirming district court).

Talbert initially sought a claim that would have literally encompassed the final boiling points of the accused gasolines. *See* Resp. Ct. App. Br. at 6 (quoting Claim 1 of Talbert's original application having no boiling point limitations). The Patent Office rejected this claim as unpatentable in view of two prior U.S. patents. *Id.*; *see* Ct. App. JA513-15 (Patent Office rejection). Talbert resubmitted this claim in a continuation application and the Patent Office again rejected the claim as unpatentable, in part, in view of U.S. Patent No. 3,002,917 to Hamilton ("Hamilton"). *See* Resp. Ct. App. Br. at 6; *see also* Ct. App. JA590-92 (Patent Office rejection). The Hamilton patent disclosed a gasoline having a final boiling point of 390°F. *See* App. 11.

In response to these repeated rejections, Talbert eventually amended the claim to specifically recite an upper boiling point of 345°F so as not to cover the 390°F final boiling point disclosed in Hamilton. *See* Resp. Ct. App. Br. at 9-10; *see also* Ct. App. JA634-37 (response to rejection). By this amendment, Talbert surrendered claim scope that he may not recapture through the doctrine of equivalents. "[A] patentee should not be able to obtain, under the doctrine of equivalents, coverage which he could not lawfully have obtained from the PTO by literal claims." *Wilson Sporting Goods v. David Geoffrey & Assocs.*, 904 F.2d 677, 684 (Fed. Cir. 1990); *see Augustine Med., Inc. v. Gaymar Indus., Inc.*, 181 F.3d 1291, 1299 (Fed. Cir. 1999) ("After adding a claim limitation during prosecution to overcome prior art, the applicant cannot later assert that the distinguished feature of the prior art is equivalent to the added limitation."). Talbert cannot obtain claim scope through the doctrine of equivalents that the Patent Office refused to give him literally.

In conjunction with the claim amendment, Talbert expressly disclaimed any range of equivalents that would encompass the accused gasolines by asserting that the claimed temperature range was not equivalent to the 390°F final boiling point disclosed in Hamilton:

> the temperature range of the boiling points of the hydrocarbons of the gasoline of the presently claimed invention is between 96.8° and 345°F. **There is absolutely no suggestion of such a gasoline composition in the Hamilton reference [which discloses a boiling point of 390°F].**

App. 9 (emphasis added). Talbert further argued that the Hamilton patent:

> teaches away from [the claimed] fuel by providing for a fraction having a boiling range up to 390°F (column 1, lines 42-43). **This fraction is not the same as, nor equivalent to, that which is the subject of applicant's composition claims.**

Id. (emphasis added). Talbert explained that:

> **'fuel having hydrocarbon components with boiling points above those claimed [345°F]' would function in a manner that 'completely negate[s] an important characteristic of the composition of the invention.'**

Id. (emphasis added). Based on these express and unequivocal representations, the Federal Circuit found that "Talbert emphasized the difference in boiling point ranges as the distinction on which he premised patentability." *Id.*

The Federal Circuit held that by repeatedly asserting during prosecution that the 345°F final boiling point of the

claimed gasolines was **not** equivalent to the 390°F final boiling point disclosed in the prior art, Talbert was estopped from asserting that the accused gasolines, having a final boiling point of 373.8°F to 472.9°F, were equivalent to the claimed final boiling point. *See* App. 11-12. There is no reasonable probability that this result would change were the Federal Circuit to reconsider the issue in light of this Court's *Festo* decision.

In *Festo*, although this Court rejected the Federal Circuit's "absolute bar" for claim amendments, it reaffirmed the longstanding rule that where a patentee deliberately surrenders coverage of a known equivalent, that equivalent cannot be recaptured through the doctrine of equivalents. *See Festo*, 122 S. Ct. at 1838 (*quoting Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 136-37, 62 S. Ct. 513, 518 (1942)). *Festo* did not change this fundamental aspect of the law of equivalency. *See Exhibit Supply*, 315 U.S. at 136-37, 62 S. Ct. at 518 ("By the amendment [the patentee] recognized and emphasized the difference between the two [claim] phrases and proclaimed his abandonment of all that is embraced in that difference. The difference which he thus disclaimed must be regarded as material, and since the amendment operates as a disclaimer of that difference it must be strictly construed against him.").

This Court's rejection of the Federal Circuit's absolute bar rule and substitution of a rebuttable presumption of estoppel are plainly not relevant to the facts of this case. The newly-created presumption applies in instances not present here, such as where the alleged equivalent was unforeseeable, could not adequately be captured by the patentee due to the vagaries of language, or was merely tangentially related to the amendment. *See Festo*, 122

S. Ct. at 1842 ("There are some cases, however, where the amendment cannot reasonably be viewed as surrendering a particular equivalent. The equivalent may have been unforeseeable at the time of the application; the rationale underlying the amendment may bear no more than a tangential relation to the equivalent in question; or there may be some other reason suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question.").

Unlike *Festo*, the instant case involves an express surrender of an admittedly known range of final boiling points and simply does not require an evaluation of whether the patentee can rebut the presumption. The law with respect to clear and unmistakable surrender of known equivalents is the same after *Festo* as it was before. *See, e.g., Exhibit Supply*, 315 U.S. at 136-37, 62 S. Ct. at 518. Accordingly, a remand to the Federal Circuit would be futile because there has been no change in the law as applied to the facts of this case.

Even if evaluation of the presumption were appropriate, however, Talbert cannot possibly prevail. The alleged equivalents were known and foreseeable at the time of the amendment, and Talbert's arguments were intended to overcome the prior art. Talbert undeniably argues that gasolines having final boiling points above 345°F are described in the '356 patent. *See* Pet. Br. at 4 ("The specification notes that . . . the actual final boiling points of even the gasifier gasoline could exceed [345°F]."); Pet. Ct. App. Br. at 13 (same). In view of this argument, Talbert cannot possibly argue that the allegedly equivalent gasolines,

having final boiling points above 345°F, were unforeseeable. An alleged equivalent expressly described in the patent specification is the epitome of being "foreseeable."[2]

Moreover, this case involves specific ranges for gasoline boiling points. Because these boiling points are precisely defined in terms of numerical values, there can be no serious argument that the inadequacies of language somehow prevented Talbert from literally claiming the allegedly equivalent final boiling points as his invention. Indeed, Talbert initially claimed the allegedly equivalent final boiling points only to then have to narrow the claims when the Patent Office rejected the broader claims as being unpatentable over the prior art.

Finally, Talbert specifically added the final boiling point of 345°F to his claims to overcome a prior art patent disclosing a gasoline having a final boiling point of 390°F, which is squarely within the final boiling point range of the accused gasolines. App. 11 ("the prosecution record shows that Talbert relied on this temperature specificity for patentability purposes"). There can be no argument that the amendment was merely "tangential" to the alleged equivalent. As the Federal Circuit found, the

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[2] Talbert's own argument that his patent discloses gasolines having final boiling points above 345°F further supports the conclusion that the doctrine of equivalents is unavailable to Talbert to cover the accused gasolines. *See Miller v. Bridgeport Brass Co.*, 104 U.S. 350, 352 (1881) ("The claim of a specific device or combination, and an omission to claim other devices or combinations apparent on the face of the patent, are, in law, a dedication to the public of that which is not claimed."); *see also Mahn v. Harwood*, 112 U.S. 354, 361 (1884) ("The claim actually made operates in law as a disclaimer of what is not claimed.").

amendment was specifically intended to distinguish the claimed invention from the gasolines disclosed in the prior art, and consequently, the accused gasolines. *Id.* Accordingly, even if evaluation of the presumption were appropriate, such an analysis could not possibly change the result in this case.

Because the amendments and arguments at issue were expressly designed to eliminate gasolines having the allegedly equivalent final boiling points from the scope of the claim, this Court's *Festo* decision precludes infringement under the doctrine of equivalents. A remand to the Federal Circuit to reconsider the issue would be pointless and wasteful. At a minimum, "the delay and further cost entailed in a remand are not justified by the potential benefits of further consideration" and a GVR order is therefore inappropriate. *Lawrence*, 516 U.S. at 168, 116 S. Ct. at 607.

B. Talbert's Petition Fails To Even Allege How Reconsideration Could Change The Outcome In This Case

Talbert correctly recognizes that the standard for the grant of a GVR is whether a redetermination by the lower court in view of recent developments from this Court may determine the ultimate outcome of the case. However, Talbert's Petition fails to show how reconsideration by the Federal Circuit in this case could possibly change the outcome. Talbert merely avers that a GVR is appropriate because the Federal Circuit cited *Festo* in reviewing the district court's judgment of noninfringement. *See* Pet. Br. at 8. From this, Talbert concludes that it should be given an opportunity to show that his claim amendment did not surrender the alleged equivalents. *See id.* at 9-10. But

unlike *Festo*, Talbert's estoppel was not based on a single claim amendment for which the reason was unknown. Rather, as discussed above, Talbert's estoppel was based on his repeated and unequivocal assertions to the Patent Office that the claims did not encompass the gasolines that Talbert now asserts are equivalent. *See, e.g.*, App. 11-12. Talbert has wholly failed to show that there is a reasonable probability that the Federal Circuit's decision would be different upon further consideration.[3] *See Lawrence*, 516 U.S. at 167-68, 116 S. Ct. at 607. Merely noting that the Federal Circuit cited *Festo* in its opinion is insufficient to warrant a GVR in this case. While Talbert obviously would like to ride the recent wave of GVR's precipitated by this Court's *Festo* decision to have yet another chance to reargue infringement, the facts simply do not support Talbert.

CONCLUSION

The Federal Circuit's decision below rejecting Talbert's claim of infringement under the doctrine of equivalents does not implicate this Court's rejection of the absolute bar rule in *Festo*. Talbert's infringement claim is precluded under traditional rules of estoppel by surrender. This Court's *Festo* decision did not change the law with respect to unequivocal surrenders of known equivalents.

[3] Talbert incorrectly asserts that the Federal Circuit failed to acknowledge that if limited to a single final boiling point, the preferred embodiment would be excluded. *See* Pet. Br. at 10. First, this argument is unrelated to this Court's *Festo* decision. Second, the Federal Circuit's opinion specifically rejects this very argument. *See* App. 10.

Because there is no possibility, let alone a reasonable probability, that the Federal Circuit's decision rested upon the absolute bar of its *Festo* decision, a remand for further consideration in view of this Court's *Festo* decision is unwarranted.

Respectfully submitted,

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In The
Supreme Court Of The United States

TALBERT FUEL SYSTEMS PATENTS CO.,

Petitioner,

v.

UNOCAL CORPORATION and TOSCO CORPORATION,

Respondents.

On Petition for a Writ of Certiorari
to the United States Court of Appeals
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RESPONDENT UNOCAL CORPORATION'S BRIEF IN OPPOSITION

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QUESTION PRESENTED FOR REVIEW

Whether this Court should vacate the judgment below and remand for reconsideration where there is no reasonable probability that the court of appeals' decision would be altered by reconsideration in light of *Festo Corp. v. Shoketsu Kinzoko Kogyo Kabushiki Co.*, 122 S. Ct. 1831 (2002), because it rests on no premise affected by *Festo*.

RESPONDENT'S RULE 29.6 DISCLOSURE

Respondent Unocal Corporation has no parent corporation and no publicly held company owns 10% or more of the corporation's stock. Union Oil Company of California is a wholly owned subsidiary of Unocal Corporation.

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RESPONDENT UNOCAL CORPORATION'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

STATEMENT

I. Procedural Background

Talbert originally commenced this action against Unocal immediately following Unocal's successful jury verdict against six large oil refiners finding infringement of Unocal's U.S. Patent No. 5,288,393 ("'393"). Talbert stated an interference count under 35 U.S.C. § 291, alleging that its own patent (U.S. Patent No. 5,015,356) ("'356") claimed the identical subject matter as Unocal's '393 patent, even though the Patent and Trademark Office (PTO) had reviewed the Talbert patent before allowing Unocal's '393 patent to issue. Talbert also alleged that Unocal's gasolines infringed Talbert's patent.

Unocal moved to dismiss Talbert's claim of interference on the ground that the Talbert and Unocal patents do not claim the same subject matter. The trial court issued a limited claim construction and granted Unocal's motion to dismiss. (Pet. App. 34a-42a.) That order was affirmed by the court of appeals' decision below and is not part of Talbert's petition for certiorari. (Pet. App. 12a-14a.)

Following the dismissal of the interference cause of action, Unocal moved for summary judgment of Talbert's remaining infringement count. *Talbert admitted that Unocal had not produced any unleaded motor gasoline with a true boiling point endpoint less than or equal to 345°F* (an express limitation of the Talbert claims). (Pet. App. 26a; 32a; Ct. App. JA1124.) Talbert

thus conceded that there was no literal infringement under the claims as construed by the District Court. *Id.* Talbert opposed Unocal's motion for summary judgment solely on the ground of infringement under the doctrine of equivalents.

The district court, however, held that prosecution history estoppel barred equivalents infringement, relying on Talbert's specific argument to the PTO asserting nonequivalence of fuels with a final boiling endpoint higher than the claimed 345°F. (Pet. App.33a; Ct. App. JA26-30.) That judgment was affirmed by the Federal Circuit. (Pet. App. 11a-12a.) The court specifically concluded that estoppel barred equivalents coverage of the particular accused Unocal gasolines (with boiling point endpoints significantly higher than 345°F) based on the *arguments* made by Talbert in the file history – not based on the "complete bar" (or "absolute bar") issue examined in this Court's recent decision in *Festo Corp. v. Shoketsu Kinzoko Kogyo Kabushiki Co.*, 122 S. Ct. 1831 (2002). *(See* Pet. App. 11a-12a.)

II. Factual Background

Key aspects of the prosecution history provide the context for the Federal Circuit's reliance on what Talbert repeatedly argued in prosecuting the applications that culminated in the issuance of the Talbert '356 patent. Talbert spent the first nine years of the protracted prosecution (of several related applications) attempting to overcome an examiner's obviousness rejection (under 35 U.S.C. § 103) based on a prior-art reference referred to as the "Hamilton" patent. The Hamilton patent taught a fuel with a boiling point range ending at 390°F. (Pet App. 11a; Ct. App. JA77, Col. 1:42- 43). Talbert repeatedly distinguished Hamilton by pointing to the lower "endpoint" boiling point range

of its own claimed fuel, described variously as 96.8° to 345°F and 49° to 345°F. (Pet. App. 9a; Ct. App. JA 534-35,596,763-64.) In this context, Talbert specifically argued that its fuels, with significantly lower boiling point **endpoints** from Hamilton, were "not the same as, ***nor equivalent to***" Hamilton's. (Pet. App. 9a.)

Having made that argument, Talbert still had a problem (under 35 U.S.C. § 112, ¶1): the numbers it was relying on for its own gasoline could not be added to the claims because they had no basis in the specification. Talbert therefore tried to amend the specification to provide literal support for the specific boiling range claimed, but those attempts were met by "new matter" rejections from the examiner (under 35 U.S.C. § 132). In the ninth year of the prosecution process, Talbert re-filed the application as a continuation-in-part application (which allows some new matter, with a new priority date, *see* 35 U.S.C. § 120) to include a teaching in the specification of a 345°F endpoint. By doing so, Talbert was finally able to insert into the claim the specific boiling range endpoint (345°F) said to distinguish the fuel from Hamilton's while overcoming the "new matter" rejection.

Talbert relied on its required 345° F final boiling point throughout the prosecution history. Notably, during the final year of the prosecution, Talbert was required to distinguish the claimed fuels from those described in a patent to "Schulze." Talbert argued that, because of the required 345°F final boiling point in the Talbert claims, his fuel was necessarily different from that of Schulze. (Pet. App. 9a-10a; Ct. App. JA909.) The examiner thus allowed the claims to issue. *Id.* at 913-14.

More generally, Talbert's argument about the boiling point endpoint – to distinguish prior-art fuels with boiling point ranges of up to 390°F (Ct. App. JA592, JA632A-D) – was intimately tied to the contention, from the outset, that Talbert's inventive contribution was the removal of C_{11}+ hydrocarbons from conventional gasoline. The presence of such hydrocarbons allows higher boiling points than otherwise, which is why the examiner pointed to the boiling point endpoints of prior-art fuels in rejecting Talbert's application for obviousness, asserting that Talbert had not established how much of the C_{11}+ hydrocarbons it had removed. Ct. App. JA592. Talbert responded by repeatedly insisting that the claimed fuels *inherently possessed* a true final boiling point endpoint of 345°F *because* the C_{11}+ hydrocarbons had been *removed* from the fuel, leaving a C_{10} hydrocarbon, with a boiling point endpoint of only 345°F, as the heaviest hydrocarbon in the fuel:

- ". . . decane, C_{10}, has a boiling point of 345°F. Therefore, the temperature range of the gasoline of the presently claimed invention **is between** 96.8 and **345°F**." Ct. App. JA534-35 (emphasis added).

- "the temperature range of the boiling points of the hydrocarbons of the [claimed] gasoline . . . ***is between*** 96.8 and **345°F**." Ct. App. JA596 (emphasis added).

- "The fuel composition [claimed] ***is defined as being bounded by C_5 and C_{10}*** hydrocarbons in a gasoline-type fuel." Ct. App. JA757 (emphasis added).

- ". . . determining the boiling point range is only a matter of picking the lowest and highest boiling points . . . [which] in the case of the fuel composition

disclosed in the Talbert patent application is C_5 - C_{10} and the corresponding boiling point range is 49° to 345°F." Ct. App. JA763-64.

- ". . . it will be noted that ***applicant's fuel*** which contains C_9 and C_{10} hydrocarbons ***has a final boiling point of 345°C*** [*sic*; should be °F] which corresponds to the boiling point of C_{10} paraffinic hydrocarbons." Fact 6.7; Ct. App. JA890 (emphasis added).

The emphasis on the 345°F endpoint, in short, was central to what Talbert touted as the inventive contribution.

This emphasis, in fact, continued even after the patent issued. Shortly after issuance, Talbert announced to the entire oil industry and government officials that the claimed fuels ". . . ***[have] an endpoint of 345°F.***" Ct. App. JA1132 (emphasis added). In the announcement, Talbert emphasized the benefits of the new gasoline with a 345°F endpoint, and made it clear that ***"an endpoint not to exceed 345°F is required in order to achieve the benefits described.***" Ct. App. JA1133 (emphasis added). Talbert's current argument thus would materially eliminate what Talbert previously asserted was the basic and novel characteristic of his fuels and impermissibly attempts to claim what was surrendered during prosecution.

REASONS FOR DENYING THE PETITION

Talbert does not dispute the Federal Circuit's claim construction or the Federal Circuit's holding that Unocal's accused gasolines do not literally infringe. Under the unchallenged claim construction, Talbert's claim limitation requires a boiling point limit of no greater than 345° F, and the

accused Unocal gasolines undisputedly have significantly higher limits ("ranging from 378.8° F to 472.9° F"). (Pet. App. 7a-11a.) Talbert limits its present challenge to the Federal Circuit's application of prosecution history estoppel to bar Talbert's effort to capture Unocal's fuels under the doctrine of equivalents. It asks for a vacatur and remand, seeking to ride on the coattails of this Court's decision in *Festo*, even though *Festo* could not alter the lower court's decision here.

Talbert's request should be rejected as nothing but burdensome delay of final resolution of this case. Talbert's petition rests on disregard of the actual reasoning of the court of appeals' decision on the issue of prosecution history estoppel. In fact, it is clear from the court of appeals' analysis that there is no "reasonable probability that the decision below rests upon a premise that the lower court would reject if given the opportunity for further consideration" (*Lawrence v. Chater,* 516 U.S. 163, 167 (1996)) in light of this Court's decision in *Festo*. In these circumstances, a vacatur and remand would only add to the burdens and costs of this litigation for both the parties and the courts.

What the court of appeals decision actually says, in contrast to Talbert's summary characterization of it, makes clear why a vacatur and remand would be entirely wasteful. The decision first states the district court's broad conclusion that Talbert surrendered any coverage above a boiling point limit of 345° F (Pet. App. 11a), then gives its own analysis. The analysis immediately relies on Talbert's *argument* in the PTO: Talbert pointed to its own claimed boiling point limit of 345°F to distinguish the Hamilton prior art, starkly declaring that Hamilton's boiling point range up to 390°F was "no[t] equivalent to" the claimed 345° F upper limit. *Id.* at 9a. The

court of appeals decision then notes and rejects Talbert's effort to counter the force of its *argument* in the PTO: whereas Talbert denied that the 345°F boiling point limit had been added to respond to prior art, the decision explains that, to the contrary, "the prosecution record shows that Talbert relied on this temperature specificity for patentability purposes." *Id.* The decision then concludes that "Talbert is estopped to reach, by way of equivalency, Unocal's gasoline having a significantly higher boiling range" (*id.* at 12a) – Unocal's gasoline having limits from "373.8° F up to 472.9° F." *Id.* at 11a.

At least three aspects of this decision independently make clear that the result (indeed the analysis) could not be altered by this Court's *Festo* ruling. ***First***, the decision squarely rests on prosecution history estoppel by *argument*, not by *amendment*. Arguments to the PTO and amendments made in the PTO, though often occurring together, have long been recognized as a distinct bases for estoppel.[1] This Court's decision in *Festo* is *entirely* about the estoppel effect of *amendments* – both which types of amendment generate estoppel (122 S. Ct. at 1840-41) and what such an amendment estops (122 S. Ct. at 1841-42). There is simply nothing in *Festo* about the interpretation of applicant arguments to the PTO to define an estoppel against

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[1] *See* D. Chisum, Patents § 18.05[2] (amendments, treated in subsections [a] and [b], as separate basis of estoppel from "remarks and arguments," treated in subsection [c]); *Cortland Line Co. v. The Orvis Co., Inc.*, 203 F.3d 1351, 1360 (Fed. Cir. 2000); *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973 (Fed. Cir. 1999); *Texas Instruments, Inc. v. United States Int'l Trade Comm'n*, 988 F.2d 1165 (Fed. Cir. 1993); *Spectrum Int'l, Inc. v. Sterilite Corp.*, 164 F.3d 1372 (Fed. Cir. 1998).

later equivalents assertions in infringement litigation. *A fortiori* there is nothing in *Festo* to undermine the specific conclusion that Talbert's stark "no[t] equivalent" argument in this particular case estopped its equivalents assertion.

Second, the court of appeals decision draws its estoppel conclusion only in terms of the specifically accused products (Unocal's gasolines), with their "significantly higher" boiling point limits, not in terms of *all* gasolines outside the literally claimed limit. Pet. App. 11a-12a. (The court of appeals' phrasing of its own conclusion contrasts with its description of the district court's ruling in the broader terms. *Id.* at 11a.) The court of appeals' conclusion, therefore, does not rely on the blanket "complete bar" or "absolute bar" rule that was the only part of the Federal Circuit's *en banc* decision in *Festo* this Court altered on review. The court of appeals *in this case*, in short, has already narrowed its focus to whether the particular accused product was within the estoppel, rather than rely on a blanket rule of no equivalents outside the claimed limit.[2] This aspect of the decision supplies a second independent reason, over and above the fact that the decision rests on argument estoppel, not amendment estoppel, why this Court can be confident that the decision would not be altered by reconsideration in light of this Court's *Festo* decision.

2

The panel in this case consisted of three Federal Circuit judges who dissented from the "complete bar" aspect of the *en banc* court's *Festo* decision. They merely cited the *en banc* decision in *Festo*, without internal page reference, noting that *certiorari* had already been granted. Pet. App. 12a.

Third, although Talbert insists on a new opportunity to show why it did not surrender the gasolines with Unocal's boiling point limits (significantly higher than the claimed limit), that plea is pointless – even if the case could be treated as an amendment case and the already-clear focus of the court of appeals on the specific accused products could be ignored. Of course, nothing in this Court's *Festo* decision in any way undermines the court of appeals' pointed case-specific conclusion that Talbert relied specifically on the 345°F boiling point limit as a ground "to overcome prior art" (notably Hamilton). Pet. App. 11a; *id.* at 9a. The court of appeals specifically cited to this Court's opinion in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997), showing that Talbert had relied upon his arguments for patentability reasons. Pet. App. 11a-12a.[3] Talbert's 345°F claim limitation (its presence, Talbert's argument relying on it) remains, after *Festo*, fully estoppel-generating. *Festo*, 122 S. Ct. at 1838-39. Under *Festo*, then, Unocal's gasolines are *presumed* to be within the estoppel and hence unavailable for recapture as equivalents. *Id.* at 1841-42.

Talbert cannot conceivably meet its burden of overcoming the presumption of estoppel, given the clear reasoning underlying

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[3] Talbert's estoppel argument in the court of appeals, fairly construed, depended entirely on its assertion that it adopted the 345°F limit for a non-estoppel-generating reason (not to overcome prior art); although briefed *before* the *en banc* court adopted the "complete bar" rule, Talbert made no separate contention for a remaining scope of equivalents even if its assertion about its reason was incorrect. (C.A. Brief of Appellant Talbert at 39-46).

the court of appeals' conclusion about the 345°F limit and the prosecution record behind it. As explained above, the boiling point limit had far more than "a tangential relation" (122 S. Ct. at 1842) to the prior-art rejections that had to be overcome to achieve patentability (that is why Talbert relied on it as argument to distinguish Hamilton) *and*, indeed, to what Talbert stressed as the key aspect of its inventive contribution (the removal of the C_{11}+ hydrocarbons whose presence causes higher boiling points). *See* pages 3-4, *supra*. Moreover, it is self-evident that no language barrier impeded Talbert's writing a claim that used (familiar) numbers above 345°F to claim a higher boiling point limit if other patentability considerations would allow such numbers. 122 S. Ct. at 1842. The exception to *Festo*'s presumptive bar rule, therefore, could not be met in this case to limit Talbert's surrender so as to allow recapture, through equivalents infringement, of the higher boiling point limits of the accused gasolines.

For the foregoing reasons, this is a case in which the court of appeals opinion makes crystal clear, for multiple reasons, that its analysis and result do not in any way depend on any proposition this Court rejected in *Festo*. Notably, that conclusion cannot be drawn for any of the GVR cases cited by Talbert at Pet. 10. All but one *clearly* involved a Federal Circuit ruling of estoppel based on *amendments* in the PTO, the central subject of *Festo*. In the lone exception, *AccuScan, Inc. v. Xerox Corp.*, 122 S. Ct. 2323 (2002) (No. 01-541), the single-sentence Federal Circuit discussion did not clearly rest entirely on arguments rather than amendments, and the respondent, in this Court (01-541 Br. in Opp. 20 n.4), expressly undermined any such characterization: it relied on the patentee's amendment of a claim term in describing the court of appeals' rejection of equivalents infringement. Thus, in all the GVR cases cited by Talbert, a

GVR was appropriate because amendment-based estoppel was – or was acknowledged to be – genuinely at issue. A vacatur and remand in the present case, in contrast, would merely prolong litigation and add needless burdens, without a reasonable basis for finding an effect of *Festo* on the clear analysis of the decision below.

CONCLUSION

The petition for a writ of certiorari should be denied.

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IN THE

Supreme Court of the United States

TALBERT FUEL SYSTEMS PATENTS CO.,

Petitioner,

v.

UNOCAL CORPORATION and TOSCO CORPORATION,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF

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CORPORATE DISCLOSURE STATEMENT

Petitioner's Corporate Disclosure Statement was set forth at page *ii* of its Petition for a Writ of Certiorari, and there are no amendments to that Statement.

PETITIONER'S REPLY MEMORANDUM

Unocal and Tosco attempt to distance this case from *Festo* by asserting that the court below did not apply the complete bar rule — the now invalid ruling of the Federal Circuit in *Festo Corp. v. Shoketsu kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000) (*en banc*), *vacated and remanded* 122 S. Ct. 1831 (2002). Instead, they assert, the court applied what is akin to the "flexible bar" approach that had been rejected by the Federal Circuit *en banc* in *Festo*. *See Festo*, 234 F.3d at 575 ("After our long experience with the flexible bar approach, we conclude that its 'workability' is flawed."). Grasping at straws, Unocal even suggests that because each of the three judges on the panel below had dissented from the *en banc Festo* decision, they must have disregarded their judicial duty to apply the binding precedent established by *Festo*. Unocal Opp. Br. at 8 n.2. This rank speculation warrants little attention. One must presume that in citing to *Festo*, the panel below followed the law of the circuit and applied the complete bar rule. Nothing in the court of appeals opinion indicates the contrary. Since Talbert has the right to have its case decided under the correct legal standard, this Court should grant the petition for a writ of certiorari, vacate the judgment below in light of this Court's decision in *Festo*, and remand for further proceedings.

Even were this Court to accept the Respondents' invitation to second guess the Federal Circuit's reliance on the *en banc Festo* decision, scrutiny of the decision below reveals that the panel did apply the complete bar rule, and not the standard required by this Court's *Festo* ruling. Consistent with the complete bar approach, the Federal Circuit conclusorily held that because Talbert amended its claim and argued that its gasoline was "not the same as,

nor equivalent to" the Hamilton gasoline, Talbert was "estopped to reach, by way of equivalency, Unocal's gasoline having a significantly higher boiling range." Pet. for Cert. App. 11a-12a. The panel below, again consistent with a complete bar approach, summarily dispensed with Talbert's arguments and disregarded several matters that were fully briefed before it, never assessing whether Talbert could rebut the presumption of estoppel. The decision below misapplied the usual rules of claim construction, improperly read the prosecution history to alter the specification, and neglected to review the specification in its entirety, all of which are inconsistent with the established principles of patent evaluation but consistent with the complete bar approach. In fact, the decision below ignored the indications that Talbert, if afforded the opportunity, could rebut the presumption of estoppel. For instance, the court failed to acknowledge that those skilled in the art would not read Talbert's amendment as a limitation on the boiling point range of the gasoline, since it is impossible to produce a functional fuel that had an exclusive 121°F-345°F configuration. In short, the estoppel analysis below is devoid of any examination of either the context in which the amendment and arguments in question were made or the reasons underlying them — mandatory inquiries under this Court's *Festo* decision.

Unocal also contends that because *Festo* involved prosecution history estoppel by amendment, it should not apply to cases involving estoppel by argument. As an initial matter, Talbert in fact did amend its claim in response to the examiner's concerns regarding the Hamilton patent, thereby giving rise to estoppel by amendment. *See* Pet. for Cert. at 5. In any event, this Court drew no distinction between estoppel by argument and estoppel by amendment in *Festo*, and neither

did the Federal Circuit in its *Festo* decision. Indeed, the Federal Circuit in Festo suggested that the two ought to be treated the same. *See Festo*, 234 F.3d at 568-69 ("There is no reason why an amendment-based surrender of subject matter should be given less force than an argument-based surrender of subject matter."). It is by now well-settled that

> the totality of the prosecution history . . . must be assessed, not the individual segments of the presentation made to the Patent and Trademark Office by the applicant, it is irrelevant whether [the patentee] relinquished this potential claim construction in an amendment to the claim or in an argument to overcome or distinguish a reference.

Elkay Mfg. Co. v. Ebco Mfg. Co., 192 F.3d 973, 979 (Fed. Cir. 1999).

Unocal's attempt to distinguish this Court's GVR in light of *Festo* in *AccuScan, Inc. v. Xerox Corp.*, 122 S. Ct. 2323 (2002), is also to no avail. Contrary to Unocal's characterization, that case involved estoppel by argument, as clearly indicated by the question presented by AccuScan's certiorari petition: "Whether the holding of Festo can be expanded to allow claim term interpretations of non-amending arguments to bar literal patent infringement and to estop summarily the doctrine of equivalents." AccuScans Petition for a Writ of Certiorari, at i, *AccuScan, Inc. v. Xerox Corp.*, 122 S. Ct. 2323 (2002) (No. 01-541). *See also id.* at 13-17. This Court appropriately remanded in light of *Festo* in that case, and it is respectfully submitted that it should do the same in this case.

CONCLUSION

For the reasons explained in Talbert's petition for a writ of certiorari and above, the petition should be granted, the judgment below vacated, and the case remanded for further consideration in light of this Court's decision in *Festo Corp. v. Shoketsu Kinzoko Kogyo Kabushiki Co.*

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